

NEWS SUMMARY

GENERAL

BUSINESS

U.S. banks raise prime rates to three-year high

American trade deficit increases again

Lonrho axes Brentford Nylon jobs

Union rejects 5p cards

The Union of Post Office Workers has rejected plans by the Post Office Board for a 5p Christmas card delivery this year.

The Post Office said it was disappointed by the union decision but did not say whether it would regard it as an effective veto on introduction of the scheme. The union's annual conference also voted against resuming Sunday collections.

Smith to quit

Mr. Ian Smith says he will resign from active politics at the next Rhodesian election, due to be held by the end of the year.

Neutron ban plea

Andrei Gromyko, Soviet Foreign Minister, yesterday called for a total ban on the neutron bomb. He told the UN special session on disarmament: "Neutron weapons must be banned once and for all. Russia did not intend to produce them unless America or some other nation did."

USAF refusal

The proposal by the U.S. Air Force to base 15 giant transport aircraft at RAF Greenham Common, Berks, has been called off. Mr. Fred Mulley, Defence Secretary, rejected the scheme because of the risk of the aircraft over-flying the Aldermaston Atomic Energy Establishment.

Tanker inquiry

Mr. James Prior, Tory MP for Lowestoft, intends to continue to press for an inquiry into the handling of the Eleni V oil spill. He says he is not being "too critical" of the Department of Trade, but wants it to learn lessons for the future.

Race report

About a third of all babies born in Bradford in 1986 will be coloured, according to a city council report published yesterday. The Tory-controlled council said that the "most distressing trend" now was that 50 per cent of coloured school-leavers had no jobs to go to.

Bomb claim

Nairobi security authorities are certain that a bomb was planted at Entebbe airport in the Piper Aztec which blew up, killing Mr. Bruce McKenzie, former Kenyan agriculture minister.

Fraud trial

Five men were convicted at the Old Bailey yesterday of an international bank drafts fraud which the prosecution said could have undermined the Western banking system. They will be sentenced on Wednesday.

Briefly...

Fleet Street's El Vino wine bar will continue to refuse to serve women at the bar. A Westminster County Court judge said that the bar's insistence that women sat in the back bar showed "chivalry and courtesy."

Leaning Tower of Pisa was secured yesterday by 200 unemployed people demanding jobs.

Thirteen people died and 23 were injured when a bus and train collided near Balikesir, Turkey.

Reactor-Meinhof suspect Marion Brigitte Folkerts was arrested in Frankfurt.

Ladbrokes General Election odds last night were: An election anytime in October-25; Oct. 5, 4-1; Oct. 12, 5-2; Oct. 19, 6-1; Oct. 26, 8-1.

Michelle Booth, who was found unconscious beside the London Reading railway line two months ago, went home last night.

Liverpool's Roman Catholic Archbishop called yesterday for a change in civil law after a woman went ahead with an abortion against her husband's wishes.

The six-year-old boy involved in the killing of Mrs. Kate Wilkie, 84, has been taken into local authority care.

Equities, gilts drift in quiet trading

EQUITIES were subdued because of the coming holiday and political uncertainty. The FT ordinary index, down 4 at 470.1, closed 1.4 down at 478.1, making a net fall of 12.3 on the Account.

GILTS drifted in subdued trading, and the Government Securities Index closed 0.37 down at 70.10.

STERLING closed 10 points down at \$1.8125 and its trade-weighted index fell to 61.4 (61.5). The dollar's depreciation widened to 5.04 per cent (4.95).

WALL STREET closed 3.72 down at 831.69.

GOLD rose \$1½ to \$179½ in London, and the New York Comex May settlement price was 30 points down at \$179.50.

U.S. TREASURY bill rates were: three, 8.655 per cent (8.478); and sixes, 7.18 per cent (7.141), the highest since December, 1974.

PERTAMINA, Indonesia's State oil company, is planning a capital restructuring to enable it to borrow in its own right in the international financial markets.

SOUTH WALES area of the NCB is expected to show a loss of about £30m for the past financial year, double the deficit of the year before. Plans to develop one South Wales pit will have to be deferred.

EXPRESS NEWSPAPERS and the Government have received about 45p in the pound from their £1.325bn secured investments in the workers co-operative venture, the Scottish Daily News, which collapsed in October 1976.

EEC Commission is to seek involvement in offshore oil and gas exploration and will ask Common Market energy ministers to approve a scheme, which will certainly be opposed by Britain's Energy Minister, Mr. Anthony Wedgwood Benn.

INTEREST rate on tax certificates bought on or after May 25 is to be increased to 10 per cent (9½ per cent) and the rate on certificates surrendered will go up to 9 per cent (8½ per cent).

STRIKE by 160 steel workers at Walsingham steelworks in Durham is preventing vital supplies of castings reaching UK shipyards.

YORKSHIRE miner's leaders said that there would be no strike from June 5 after the breakdown of talks on rescue men's pay.

BANK OF ENGLAND has been unable to distribute new notes from its sole printing works for the past ten days because of a dispute among note examiners.

GEORGE EWER reports pre-tax profits well above forecast at £1.1m for the 53 weeks to January 7, compared with £563,000 in January last year.

CAPITAL AND COUNTRIES PROPERTY maintained improvement in the second half to March, leaving pre-tax revenues of £3.07m instead of a £4.2m deficit the previous year.

Fiat to invest £350m in southern Italy

FIAT, Italy's biggest private enterprise, is to invest about £350m (£500m) in the depressed South of the country over the next four years.

The Turin-based car group's investment plans were outlined to Sig. Giulio Andreotti, the Prime Minister, and to trade union leaders by Sig. Giovanni Agnelli, Fiat chairman, today.

They include construction of a new plant for the production of light commercial vehicles at Valle del Sangro in the Abruzzi, and expansion of a number of the group's existing plants in the South.

Sig. Agnelli said afterwards that Fiat was "seeking a foreign partner" for the Valle del Sangro plant, which will represent an investment of £200m and employ 3,000.

Fiat said in Turin later that it was talking with two European groups for the proposed commercial vehicles plant. The eventual partner, according to the Italian company, would probably take a 50 per cent share in the plant.

Sig. Agnelli is understood to have asked the Government for firm guarantees on the granting of subsidised funds and the necessary infrastructure for the Valle del Sangro project.

Fiat's proposed investments in the South, welcomed by the National Geographic Association, expected to create about 5,000 new jobs in the south, where the level of unemployment is among the highest in Italy.

These investments, which Sig. Agnelli said were mainly expected to improve labour relations with the Fiat group.

In the past seven years, Fiat has invested about £800m in the South, and the company claims it has created about 30,000 jobs there since 1970.

The expansion plans for Fiat's existing plants in the South include production of a range of buses, a new medium-sized car like the Fiat Ritmo to replace the small Fiat 126 now produced at the Cassino plant, and diversification of the production of Fiat mechanical components.

Terry Dodsworth writes: The plans reaffirm Fiat's commitment to joint projects in the European motor industry, a theme which Sig. Agnelli has been pressing particularly hard recently.

One possible partner could be the Renault subsidiary, Savim, made up of Fiat and Renault, with Fiat to develop a diesel engine plant in Sicily producing engines for light vans.

Oil imports

It is also expected that the U.S. Administration's plans to stimulate exports will start to yield results in the year.

But the evidence of the first four months is that all these expectations will need to be realised if the U.S. is to succeed in containing the deficit to last year's level.

While it is true that the trade figures to date have been somewhat distorted by a combination of the severe winter, which hampered industrial shipments, the coal strike, which spurred oil imports, and special factors such as the increased gold price and curbs on steel imports, there has been a noticeable change in underlying trade trends.

A major factor in the April deficit was again an increase in purchases of foreign oil, which rose by about \$500m, compared with March to \$3.6bn.

Imports of cars, machinery, iron and steel also went up. In

AN OFFER FROM M&G

AMERICA

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The U.S. stock market has climbed by more than 90 points, as measured by the Dow Jones index, since its three-year low on February 28th 1978. Although American share prices could decline again in the short term, they continue to offer outstanding value, whether measured in terms of earnings, yield or assets, and, therefore, seems to be a good time to take a stake in the world's dominant economy.

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FINANCIAL TIMES 22.4.78

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THE M&G GROUP

Gromyko holds out hope on early SALT pact

BY OUR OWN CORRESPONDENT

MR. ANDREI GROMYKO, the Soviet Foreign Minister, today held out hope for an early agreement with the United States on the limitation of strategic armaments, which he will discuss with President Carter in Washington tomorrow.

In an address to the UN General Assembly, debating the disarmament question at a special session, Mr. Gromyko said many of the difficulties in the SALT talks had been overcome and "possibilities exist for resolving the remaining issues as well."

"Immediately after signing the agreement which is now being prepared, the Soviet Union would be ready to enter into negotiations which should lead, with all the necessary factors taken into account, to a substantial reduction of the levels of strategic armaments and to a further improvement of their qualitative improvement," Mr. Gromyko said.

He said it seemed there were also grounds to expect a successful conclusion to talks between the Soviet Union, the U.S. and

UNITED NATIONS, May 26.

Britain on the complete and general prohibition of nuclear weapons tests. It was pointing out that this was important enough to persuade others to join in, he said—referring to the refusal of China and France to take part in such discussions.

While much of the Soviet Minister's statement was positive, he did not refrain from the customary jibes at the West, noting that next week's NATO summit in Washington would coincide with the UN debate.

It was no secret, he said, that the NATO agenda dealt with a further build-up of military preparations, projected into the 1990s. "One is prompted to ask what is basic to the policy-planning of those states—the continued arms race or a possibility of disarmament?" he said.

Vice-President Walter Mondale's attack here last Wednesday on the Soviet Union's deployment of SS-20 nuclear missiles, with their wide range of targets in Europe, the Middle East and Africa, produced the response from Mr. Gromyko

Copper mine at Kolwezi to re-start production

By Mark Webster

KOLWEZI, May 26. THE BIGGEST copper mine in the Shaba province of Zaïre should be back in production within 24 hours, the senior Zaïrean official said today. The Kamoto mine in Kolwezi will run at only 30 per cent of maximum capacity said the official, Mr. Walah Kapilala, but it could be run without expatriate labour, he insisted.

Meanwhile Colonel Philippe Eruila, the commanding officer of the French Foreign Legion, said he had received no orders to withdraw his 650 troops, who have been pursuing rebels in Shaba province. This conflict with reports from Paris that the legion was to complete the withdrawal from Zaïre by next Monday or Tuesday.

The news that the legion is to stay should be encouraging to the Zaïrean workers who turned out in force today at the mine. Mr. Kapilala said that almost the entire local workforce of 13,000 turned out for work today after the morning siren had sounded for the first time in the two weeks since the rebels invaded.

Mr. Kapilala said that no damage had been done to the heavy plant or the machinery in the mine by the rebels. When shots had first been heard, workers took the precaution of emptying the giant smelting tank in the concentrator so that it did not solidify.

However, he said the one underground mine on the site had flooded during the few days when the electricity had been switched off and to repair that would be "a matter of weeks."

Before the copper can again begin to be shipped out, it will be necessary to repair the electric overhead power cables which supply the railway to Kolwezi. The several kilometres of cables have been pulled out of the mine.

Meanwhile, the Katangese rebel forces who invaded Shaba province have warned that the dispatch of a pan-African force to protect the copper mines will be "considered an official declaration of war."

Reuter adds from Lusaka: President Kenneth Kaunda has denied any knowledge of the Katangese rebels crossing Zambian territory and has ordered an investigation into the matter.

Smith not to stand at next election

BY QUENTIN PEEL

MR. IAN SMITH, the Rhodesian Prime Minister, announced in Cape Town today that he will step down from active politics at the next election — to be held by the end of the year.

"I have no intention of standing in the next election," he said. "By then my task will have been completed, and I will have done all I can to reassure the people of Rhodesia."

Mr. Smith made the announcement at a news conference on his first visit to South Africa since he negotiated an end to minority rule in Rhodesia with internal nationalist leaders. Although his visit is officially for a holiday, he held talks yesterday with Mr. John Vorster, the South African Prime Minister. But diplomatic sources discounted any significance in the simultaneous visit to Cape Town of Mr. Don McHenry, the deputy

U.S. Ambassador to the UN for talks on the Western initiative for a settlement in Namibia (South West Africa).

The Rhodesian Prime Minister said that by the end of the interim period of the internal settlement plan, "the ingredients will be there to assure white Rhodesians they can safely stay on in Rhodesia, and that decent standards are going to be maintained."

He admitted that his withdrawal from politics "might have a reassuring effect on all Rhodesians, not just white Rhodesians. I have been a controversial figure, let's not beat about the bush."

On the internal settlement, he said he believed some of the Frontline African States, Britain and the U.S. were moving towards a reassessment. Because of the invasion of Shaba province

in Zaïre, there was a belief in Rhodesia "that the free world will be shaken to their senses and will adopt a more realistic attitude towards this great problem of Communist encroachment in this continent."

Mr. Smith said that although he was disappointed that quicker progress had not been made towards a ceasefire in Rhodesia, security officials and black leaders were in contact with "certain of the terrorist leaders," and the latest reports were encouraging.

Mr. Don McHenry, deputy U.S. Ambassador to the UN and principal Western negotiator in the initiative for a peaceful settlement in Namibia, appealed today for positive action "from the South African Government to revive the momentum on the initiative. Such a move was needed," he told a news conference.

Iraqi Communists executed

BY IHSAN HIJAZI IN BEIRUT AND ANTHONY MCDELMOTT IN LONDON

A MAJOR disagreement has broken out in Iraq, between the Baath Party and the Communist Party, as a result of which at least 14 Communists have been executed during the past month.

Both parties are partners in the National Progressive Front, which was set up in July 1973, but which is heavily dominated by the Baath Party.

This drive against the Communist Party has obvious implications for Iraq's international ties with the Soviet Union and the Eastern Bloc. Iraq is the only Arab country to have still in operation a treaty of friendship with the Soviet Union, signed in March 1972.

The Kuwaiti daily, al-Siyasah, said on Thursday that the Iraqi government had threatened to break off diplomatic relations with Moscow if the Soviet Union provided military aid to the Marxist Ethiopian government in its current offensive against the Eritreans, who are backed by Iraq.

At the same time, Iraq is currently strengthening economic co-operation with the West at the expense of its economic relations with the East.

It is likely however that the reports of executions of Communists reflect an internal crisis. A clue has been given by the London-based weekly, al-Dustour, in which in spite of its claims to be a standard which has been widely discussed and agreed upon before the formation of the National Front in 1973.

The implication of this may be

that the Baath Party no longer regards the terms of the establishment of the National Progressive Front as being relevant.

Al-Dustour claims to have obtained Iraqi political opinion about the Communist Party meeting. Broadly, this opinion, which is inevitably Baathist-dominated, accused the Communist Party of exploiting "the freedom of expression to raise doubts about stability in Iraq."

It suggested that "political and popular losses have relegated the Party to an inferior position in an organisation which it led in the past." It also said that the Communist Party "does not emanate from a national internal attitude. It reflects an attitude linked with external forces" (clearly by implication the Soviet Union).

The Communist Party was also accused of trying "to drive a wedge between the Kurdish people and the (Iraqi) government."

Italian tax increases approved

BY PAUL BETTS

THE ITALIAN Cabinet introduced tonight a "mini-package" of tax and public utility tariff increases, chiefly aimed at reducing the enlarged public sector deficit to a level acceptable to the International Monetary Fund (IMF).

Some 17,400bn is to be raised through a number of fiscal measures including, among others, the increase of the tax on interest on bank deposits from 18 per cent to 20 per cent, and increases in stamp duty.

After the Cabinet meeting, the inter-ministerial committee for economic planning announced a 18 per cent increase in electricity tariffs.

Land fares are to increase by 30 per cent, as from July 15, to help fractionally offset the deficit of the State railways, which totalled last year some 11,000bn.

The Government, however, is expected to introduce further increases early next month before the arrival here of an IMF team to review the undertakings Italy made in a letter of intent signed last year at the time of a further drawing from the Fund.

These additional measures are expected to be discussed by the Government with the trade unions and the other main political parties.

The Government has indicated its intention to reduce the enlarged public sector deficit this year from an estimated 130,000bn to about 124,000bn. At the same time it intends to introduce a number of measures to promote what it calls "a recovery without inflation."

Some of these industrial and financial recovery measures were

adopted by the Cabinet today including the allocation of some 1,800bn spread over several years for extra export credits.

A further 11,000bn is to be allocated this year to the hospital service, while the Cabinet also said today that it would introduce so far unspecified additional subsidies for the country's industrial reconversion and reconstruction programme.

It also decided to apportion some 11,500bn to the troubled state sector groups this year for their investments programme.

The trade unions reacted angrily tonight to the raft of increases, claiming that they had not been consulted. This is the fourth increase since 1974 in Italian rail fares, which nonetheless remain among the lowest in Europe.

'Bomb caused' Kenya crash

By Our Foreign Staff

THE KENYAN Government announced yesterday that an air crash on Wednesday which killed Mr. Bruce McKenzie, a former Kenyan politician, and two other businessmen, was caused by a bomb planted in the aircraft at Uganda's Entebbe airport.

The Foreign Ministry said in a statement that a cable had been sent to the Ugandan Foreign Ministry asking for an investigation.

It was also disclosed in London yesterday that one dead businessman was Mr. Gavin Whitehead, managing director of Lanthor Exports.

Chinese order IBM computer

By David Bell

WASHINGTON, May 26. CHINA HAS placed its first order with International Business Machines (IBM) and is seeking to buy a medium-sized computer to be used in an air compressor factory in North-East China.

The sale of the computer—believed to be a model 138 which costs about \$550,000—is a major breakthrough for IBM, but like all sales of high technology items, it still requires approval by Comcon, the Coordinating Committee for Export to Communist Areas. This is a NATO body which operates from Paris and controls the transfer of potentially sensitive Western technology to Communist countries.

Two years ago, President Ford approved the sale to China of two controlled data computers although the Administration recognised that they could be used for military purposes. One was intended for oil exploration and the other for seismic work. This sale was justified on "foreign policy grounds" and among the safeguards was one that allowed for the stationing of control data personnel in China for a period of years.

This safeguard has since been used in the case of Japanese high altitude balloons sent to China. Last September, the Carter Administration followed up the Ford initiative with the decision to relax restrictions on the U.S. export to China of defence-related products.

There were reports in Japan that the IBM machine was to be used in the jet engine plant now being set up in China by Rolls-Royce. But the company and the Pentagon said that this was not the case.

Turkey appeals for Europe industry aid

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, May 26.

TURKEY has appealed to European governments to help it industrialise more rapidly, and has strongly hinted that it expects them to provide it with short-term financial aid to alleviate economic hardships caused by the continuing U.S. embargo on arms deliveries.

The Turkish Prime Minister, Mr. Bulent Ecevit, told a news conference yesterday evening that such assistance was needed to underpin democracy in his country, which had been severely tested by its current economic crisis, and to reinforce Turkey's ties with the West through NATO and the EEC.

He also suggested that his Government's differences with Greece could best be solved if the two countries were left to work out their problems together. Their disputes would only be aggravated if EEC

Canada air force scraps nuclear arms

Canada is scrapping its nuclear weapons, its air force, Prime Minister Pierre Trudeau told the UN special disarmament conference yesterday. Reuter reports from the UN. He said nuclear weapons had been drawn from Canadian warplanes in Europe and were being replaced in North America with conventional arms. Mr. Trudeau said: "We are the first nuclear armed country to have chosen to divest itself of nuclear weapons."

Siberian gas project discussions finish

Japanese and U.S. businessmen and Soviet officials ended talks here yesterday with agreement to try to start deliveries of Siberian natural gas by 1985, a Japanese spokesman said. Reuter reports from Tokyo.

The four-day meeting discussed the proposed joint development of reserves near Yakutsk in eastern Siberia, which has been estimated at about \$30bn cubic metres.

OECD forecast

THE 24-nation Organisation for Economic Co-operation and Development (OECD) expects the U.S. to have a balance of payments deficit of \$24bn. this year, \$8.5bn more than it originally forecast. Reuter reports from Paris.

They said OECD exports would also make significant changes to their earlier forecasts for the Western world's major economies at an economic policy committee meeting here next week.

Queen ends visit

The Queen and the Duke of Edinburgh flew home from Bremen yesterday, at the end of a five-day state visit to West Germany that has clearly delighted the public here, as well as reassuring the two Governments that German-British friendship is now secure enough to survive the ups and downs of political differences, our Bonn correspondent writes.

Dominican poll result

Mr. Antonio Guzman (67), the opposition candidate, has been confirmed as winner of the Dominican Republic's elections, ending the 12-year rule of President Joaquin Balaguer. On May 17, the army halted the ballot after Mr. Guzman took the lead. Reuter reports from Santo Domingo.



Usher-Walker Printing inks and rollers

Extracts from the Review by the Chairman, Mr. S. C. Biggs

- ★ Profits before tax have increased from £478,444 in 1976 to £496,125 in 1977, despite the difficult trading conditions.
- ★ Re-organisation within our Roller Subsidiary, Usher-Walker-Bingham Limited, is proving beneficial, and we hope that it will contribute more to our profits in the future.
- ★ We maintain a high level of investment in plant and equipment and plan to extend our Scottish Factory. The benefits of the expansion at our Heywood Factory are beginning to be seen. We continue to explore other possibilities of expansion.
- ★ Turnover continues to improve during the current year, although it has been affected by the troubles being experienced in the Newspaper Industry. It would be difficult and unwise to forecast confidently for 1978, but it should be a satisfactory year.

	1977	1976
Group Turnover	5,396,000	4,581,000
Trading Profit	496,125	478,444
Profit after Tax	230,282	226,657
Earnings per Share	10.66p	10.49p
Ordinary Dividend per Share (gross equivalent)	4.95p	4.50p

Tension is in the air in Colombia with strikes and the odd riot. An election campaign is making matters worse, says Stewart Dalby.

Bogotá: a city under strain

THE SKYSCRAPERS and dual carriageways with American cars chugging along them have gradually eaten into the old Spanish part of Bogotá, the Colombian capital, with its cobbled streets and whitewashed houses with ornate green verandas. With a youngish population, mostly dressed in blue jeans and brightly coloured T-shirts, one could easily imagine oneself in a medium-sized city in the U.S., or, were it not for the dramatic mountainous backdrop Bogotá is 9,000 feet up in the Andes—in Britain.

The city however is tense. The first riot saw occurred the second day I was there. A group of young people were milling around outside a cafe where matrons ate cream cakes and buns and sombre middle-aged men sipped coffee. They were protesting vaguely about an increase in bus fares. Suddenly someone saw a policeman and buried something at him. For a couple of minutes cars screeched to a halt and the protesters ran back and forth across the street. Then police reinforcements arrived with tear gas canisters, automatic P.N. rifles and blue glass shields, and quickly dispersed the crowd.

Two days later there was a transport strike (a modest increase in fares had been announced the increase in fares) and the sale of alcohol was banned for fear it might incite people. Three days after that, the public employees came out on strike for higher wages. Most of them were standing harmlessly around, but the paramilitary police were out in force to break them up.

It is not hard to see why Bogotá is tense. In the past 10 years the city's population has doubled (to around 8m), as people have fled from the countryside looking for work. Many of the arrivals live in squalid shanty towns like Ciudad Kennedy on the south of the city.

The minimum wage for Bogotá workers is put at \$79 (1974), and unemployment at 10 per cent. But the number of

Indian tribes, the Ticuna, who have been brought into the modern world, with Western dress and electricity in their villages, and the Yagua who remain relatively primitive and isolated. If roads are ever built to Leticia, the surrounding countryside could be opened up and the town become an important entrepot.

If coffee is one key element in the economy, drug smuggling is another. The Guajira coast on the Caribbean in the north is riddled with marijuana plantations. With many natural harbours and illicit airstrips the area is impossible to police. A huge amount of cocaine is also produced. The coca leaves are grown in Peru and Bolivia, and turned into cocaine in Colombia. I was told Colombia has the entrepreneurs. It is now estimated that drug smuggling is now worth upwards of \$1bn a year. The disfiguring effects on the economy are enormous. Because all dollars in theory must be changed into pesos, the Government has had extreme difficulty controlling the money supply.

Stringent reserve requirements have had some effect, but there is little doubt that the wash of dollars was a major contributor to inflation last year. More than this, many Colombians are convinced that the drug smuggling has been partially responsible for the great crime wave. There are 80 kidnappings a month in Bogotá, it is estimated. Sr. Turbay, who is thought likely to win the elections, is said to be the champion of the "emerging classes." He had better hope that some of these—like the drug smugglers—do not actually emerge into positions of power. Otherwise, his avowed aim of curbing inflation and fighting crime will be immeasurably harder.

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I enclose a sum of money payable to Lawson Securities Ltd to be invested in units of the Lawson American Fund to the value of: £ MIN £500

For accumulation units please mark X. For Share Exchange details I am not a resident outside the scheduled territories I am acquiring these units as the nominee of (any person) (those unable to make this declaration should apply through their Banker, Stockbroker or Solicitor in the U.K.)

Signature 1 _____ Signature 2 _____

(All joint applicants must sign and attach full names and addresses)

Names in full (Mr Mrs Miss Title) _____

Address _____

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HOME NEWS

Hong Kong likes brandy

MORE liqueur brandy is drunk in Hong Kong than anywhere else on earth—apparently because the French have persuaded the people there that it promotes virility and whisky produces impotence, a Conservative MP claimed in the Commons yesterday.

Sir Paul Bryan, MP for Bowden, highlighted British problems in exporting goods to the colony, during a brief debate before the House adjourned for the spring holiday.

Hong Kong did not ask much and offered a great deal. It was an open and straightforward market, Sir Paul declared.

Our partners in the Common Market seem to do better than we do. High-quality consumer goods are what this market demands.

Stressing that the market for Britain existed in Hong Kong, Sir Paul told MPs of the powerful advertising campaign mounted by France.

The French have actually persuaded the Chinese in Hong Kong that brandy promotes virility while whisky produces impotence.

The result is that Hong Kong has the highest per capita consumption of liqueur brandy in the world.

But Sir Paul received no reassurances from the Government. Mr. Michael Mearns, Trade Under-Secretary, said Whitehall was doing all it could to make up for Britain's past neglect of exports to Hong Kong.

Architects win £25,000 grant

THE ENERGY Department has agreed to grant £25,000 to the Royal Institute of British Architects to assist its programme of mid-career education.

The first programme of 21 energy courses is being held between April and September, to be followed by a second series.

The Institute will also use the £25,000 to speed the establishment of "energy centres" throughout the UK to provide the profession with information and training.

U.S. air tanker base plan for Berkshire rejected

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CONTROVERSIAL proposal by the U.S. Air Force to base 15 giant tanker aircraft at the RAF base at Greenham Common, near Newbury, Berks., has been called off, Mr. James Wellbeloved, Under-Secretary of State for the RAF, announced yesterday.

Mr. Wellbeloved said Mr. Fred Mulley, the Secretary for Defence, had decided against the scheme because of the possible hazards from the aircraft flying over the nearby Atomic Energy Establishment at Aldermaston.

Plans to reactivate the base for use by KC-135 tanker aircraft, which are used for air-to-air refuelling, led to widespread protests in the area.

Two of the women protesters were to visit the United States next week to see President Carter about the matter.

The base has been on standby for the past 10 years and hundreds of houses have been built in the area on the assumption that it would not be used again. Local residents were appalled at the high noise level of the big jets and the wide area that would have been affected by their shallow take-off paths.

Possible new locations are at Brize Norton, Oxfordshire, Fairford, Gloucestershire, or Waddington, Lincolnshire. Any decision to fly the tankers from Brize Norton or Fairford is likely to lead to equally vehement protests from local people.

Mr. Nicholas Ridley (C. Cirencester and Tewkesbury) said yesterday that 20,000 people would be affected if Fairford were chosen and his constituents would consider such a move "catastrophic."

Noisy

Mr. Michael McNair-Wilson (C. Newbury), who raised the matter in the Commons yesterday, protested that the KC-135 was one of the world's noisiest aircraft. The proposal had already knocked £1m off property values in the vicinity of the airfield, he said.

Mr. Wellbeloved told the House that the Government has agreed in principle that the extra 15 tankers should be based in this

country and a decision on a new location will be taken next week at a meeting at the Ministry of Defence.

employment in the county, have asked that it should be based in their area.

Michael Donne, Aerospace Correspondent, writes: Both the Ministry of Defence and the U.S. Air Force now face a serious problem in finding an alternative base for the KC-135 tanker aircraft, following the Government's decision to rule out use of Greenham Common.

RAF Waddington, in Lincolnshire, is not favoured by the USAF because of the cost involved in developing its runway and other facilities to the required standards. It is likely, however, that the USAF may have to opt for this location, since it is virtually the only one in the UK where the presence of tanker aircraft would be welcomed by the locals.

Alternative

Lincolnshire on the other hand, is keen to have the aircraft. Lincolnshire County Council, concerned at high un-

employment in the county, have asked that it should be based in their area.

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Majority

By 11 to one Grunfeld was found guilty of conspiring with others to defraud banks, companies and businesses by forged, stolen, or false banking documents and identity documents between January 1972 and August 1976.

By 10 to two, he was found guilty of conspiring to forge bankers' drafts, cheques and other valuable securities.

Multi-million dollar fraud men to be sentenced next week

AFTER a four-month trial at the Old Bailey, five men were convicted yesterday of an international bank drafts fraud which, according to the prosecution, could have undermined the entire banking system of the West. They will be sentenced on Wednesday.

The five men were part of an international organisation operating from London, which forged bank drafts and used them with forged passports and identity documents to swindle banks, companies and individuals of millions of dollars.

Bank drafts are guaranteed by the banks for immediate cash payment across the counter.

Mr. Kenneth Richardson, prosecuting, said that the forgeries were brilliant and the fraud vast.

The jury has been considering its verdicts piecemeal since Friday last week. The case has been heard before Judge Gerald Hines, QC.

Yesterday the jury reached its last verdict when it found Jorge Grunfeld, a 55-year-old antiquities dealer, of Clarendon Road, Notting Hill, London, guilty on majority verdicts of two conspiracy charges which he denied.

Earlier, the jury found two others guilty of the main plot to defraud banks, companies and businesses.

They were Henry Oberlander, 51, described as a master of disguise and man of many identities, also of Clarendon Road, Notting Hill, and Francisco Flores, 48, antiquities dealer of Westbourne Gardens, Bayswater, who was described as the master forger.

Before the trial ended, two others pleaded guilty to being concerned in the fraudulent operations. They were Emile Fleischman, 57, of Ladbroke Mews, Notting Hill, and André Biro, 52, dealer in precious stones, of Bayne Close, Hampstead.

This means that all except Biro were convicted of plotting to defraud banks, companies and businesses with forgeries. Biro pleaded guilty to uttering forged documents purporting to be bankers' drafts, cheques and other valuable securities.

All five were convicted for conspiring with others to use for the purpose of the 1971 Immigration Act passports and other documents which they knew to be false.

Flores was also found guilty of plotting with others with intent to defraud to forge bankers' drafts, cheques and other valuable securities.

After the verdict, Judge Hines told the jury that he proposed to hear mitigation pleas on behalf of the convicted men on Wednesday, and would then pass sentence.

The jurors were discharged from further jury service for the rest of their lives.

Dayco may site \$10m plant in Britain

By Kevin Done, Chemicals Correspondent

DAYCO, THE U.S. rubber and plastics engineering company, is planning to build a \$10m plant in Western Europe.

Mr. Richard Jacob, chairman and chief executive, said yesterday that the UK was a likely contender. The company already has one plant at Dundee—its only existing manufacturing unit in Western Europe.

Dayco is investing about \$3m at the Dundee site this year. It is increasing production of textile printing blankets and has installed a new production line for plastic vacuum cleaner hose.

It claims some 75 per cent of the U.S. market for fan-belts used in new cars and 20 per cent of the market in the EEC.

Fan belt manufacture could be started in the UK, Mr. Jacob said yesterday, either at Dundee or at a new site.

The decision by Ford to site its £180m engine plant at Bridgend in South Wales is one important factor that could attract Dayco to the UK and to a site in South Wales also.

It is at present studying several sites in Britain as well as in other West European countries. A decision is expected in the next three months.

Dayco, which had sales last year of \$570m (15 per cent of the turnover from overseas markets), makes rubber, plastic and textile components for many sectors, including the automotive, domestic appliance, textile, chemical, agriculture, construction and energy industries.

The plant at Dundee employs about 300 people and another 300 will be employed at the new plant.

Main competitors in the UK fan-belt market would be Turner and Newall, Goodyear, Fenner, and Dawsons.

Based on exports, Dayco has only a small share of this market, but it is already supplying components for the Rover V8 engine.

Low growth 'will not save energy'

By Ray Dafter, Energy Correspondent

A SENIOR director of British Petroleum has said that continued low economic growth in Europe could perpetuate rather than ease energy problems.

Countering arguments that lower growth would ease the pressure on oil and gas supplies, Mr. Christopher Laidlaw, a managing director of the oil group, said that even in a recessionary world the continuing use of imported oil was "quite formidable."

Each year world oil consumption exceeded discoveries. "The problem is dangerously disguised at present by the world surplus of crude oil induced by the recession, so that people believe that real reserves are abundant when in fact they are in decline," he told the European Petroleum and Gas Conference in Amsterdam.

Continuing low economic growth would make the financing of new energy ventures much more difficult. Conservation efforts would also be frustrated. People would have insufficient capital to invest in houses with improved insulation and cars with lower petrol consumption.

New jet 'must aid aerospace industry'

BY OUR PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S decision on the choice of a new generation of medium-range civil aircraft will be based on the need to keep a healthy British aerospace industry in existence, Mr. Leslie Huchfield, Under-Secretary for Industry, told the Commons yesterday.

"It is essential that we retain a full design and manufacturing capability and a viable industry," he said. "British Aerospace must remain a thriving and profitable nationalised industry."

"We shall therefore insist that any new collaborative civil aircraft project must make sound commercial sense. We are not interested in a non-viable aircraft. That would not be in the interests of the workers or the taxpayers."

The Minister was replying to a debate initiated by Mr. Terry Walker, Labour MP for Kinswood, near Bristol, on the need for an urgent decision on the future production programme of British Aerospace.

The hour-long debate concerned the new generation of short to medium-range aircraft to be ordered by British Airways and its effect on British Aerospace.

MPs discussed whether the aircraft should be built as a European venture in which Britain would participate or whether the UK should take up either of two U.S. options.

British Airways has said it is interested in the Boeing 737 but McDonnell Douglas, the other U.S. company, has proposed an Advanced Technological Medium-Range transport which it is prepared to develop as part of a European programme.

Mr. Walker alleged that Boeing's motive was to destroy the European aerospace industry as an effective competitor of the Americans.

He favoured a strong European collaborative project. Only after that should we explore the possibility of collaboration with North American industry.

Mr. Ron Thomas (Lab. Bristol NW) complained about the public relations exercise being carried out by Boeing to get the 737 adopted. He thought it was a "seduction job."

From the Conservative Front Bench Mr. Norman Tebbit (Waltham Forest) said his party was unhappy about the apparent lack of leadership from British Aerospace.

Newspaper pays back 45p in £

THE GOVERNMENT and Express Newspapers have received about 45p in the pound back from their secured investments of £1.425m in the Scottish Daily News' workers' co-operative.

The payment was disclosed yesterday at the second creditors' meeting of the newspaper, which collapsed in October, 1976 after six months, with losses totalling £2.5m.

The Government, which made a loan of £1.2m, and Express Newspapers, whose loan was £235,000 as well as a further unsecured sum of £50,000, have now been paid a total of £680,000.

The liquidation, which so far has cost almost £400,000, is expected to end shortly once a dispute is resolved between the liquidator, Mr. Roy Johnston, and Strathclyde Regional Council, over a £50,000 rates demand for the building in Albion Street during the year of the workers' sit-in after the newspaper collapsed.

Mr. Johnston said that he thought that as the building was not under the liquidator's complete control during that time, he should not be liable for the rates, which have already been paid.

Prior presses for inquiry into Eleni V oil-spill

BY PAUL TAYLOR

MR. JAMES PRIOR, Conservative MP for Lowestoft, said yesterday that he intended to continue urging an inquiry into the handling of the Eleni V tanker incident.

It is three weeks to-day since the Greek tanker was alighted in two after a collision with a French merchant ship eight miles off the Norfolk coast.

The tanker's bow section has leaked oil on to East Anglian beaches and attempts to resolve the problem have been dogged by "bad luck"—or "inefficiency."

Three attempts have been made to beach the wreck. With each new plan, or natural misfortune, the tanker has had to be towed up and down the coastline.

About 3,000 tons of oil from the tanker's fractured tanks are believed to have seeped into the sea, leaving about 1,000 tons still on the vessel.

Leather craft college opened

PRINCE MICHAEL of Kent yesterday officially opened Western Europe's first college where every aspect of leather technology is taught.

The £3m National Leather Sellers' College at Northampton, which provides facilities for 120 students, is a result of a merger by London's former leather centre and the Nene college's leather department at Northampton.

Qatar's Health

A new approach to treatment



It's a widely held view in the West that the moment an oil state resident sneezes he is bundled on to a plane to recuperate in a Swiss clinic or the mild air of St. Johns Wood. It's also a fallacious view as modern medical facilities in the Gulf are nowadays perfectly capable of dealing with most of the ailments of their citizens. In the State of Qatar, the Government believes — to quote the late Sir Winston Churchill — that 'healthy citizens are the greatest asset any country can have' and has always offered free medical treatment to anyone, Qatari or not, within its borders.

There have been two main problems along the line which have forced the Ministry of Health's hand when planning or reappraising services. The first, shared with other countries subjected to an accelerated rate of growth, is that there is a tendency for its residents in true Parkinsonian fashion to require just more treatment than the state can comfortably provide. Before the days of prosperity medical treatment was simpler. Health problems weren't so advanced as they are nowadays, says Dr Omar Hassan Hashisho MD, the acting Director of the Qatar Ministry of Health, and a resident of Qatar for 19 years. 'People had a healthy traditional way of life far away from the hazards of civilization.' Although people in Qatar are generally healthy and the state itself is free from endemic disease the modern illnesses like high blood pressure and diabetes are on the increase and the scourge of the modern age, road accidents, pose by far the most dangerous threat to life and limb.

The other problem is that existing facilities have been subject to great pressure.

Up to now, treatment at general practitioner level has been available at the Government's Polyclinic alongside the existing general hospital, the Rumailah hospital. Between three and four thousand people are seen daily here and opening hours have had to be extended to 10 p.m. nightly. This has eased the pressure on the hospital's 24-hour service accident and casualty unit as those suffering from minor ailments who used to turn up at odd hours can be separated

from genuine emergency cases and treated appropriately. There are two other clinics in operation in Doha which does spread the load a little and a few in coastal townships. There are also doctors in private practice. In-patient treatment is provided by the Rumailah hospital where local medical teams perform the functions of any general hospital capable of undertaking major and minor surgery and treatment supported by visiting specialists. Difficult cases are still flown abroad for specialized care although dependence on this scheme has lessened as facilities become available here and the steady flow has become a trickle. The Rumailah hospital has been improved and extended since its inception in 1957. The most recent is the current project to add a 72-bed extension (for medical and surgical cases), a four-bed intensive coronary care unit, a four-bed intermediate coronary care unit, a new theatre and a specialized burns unit with 12 beds. This should be ready by the end of this year. Maternity and gynaecological patients are seen at the Women's hospital where a new wing of 32 beds was added recently. A couple of small hospitals in the town cater for long-stay patients and those suffering from any contagious disease. There's a special clinic in the town centre open daily purely for vaccinations and immunisations — an important part of the Ministry of Health's child health programme. Qatar's important new hospital, the 660-bed Hamad General Hospital, is due to open its doors in mid 1980, but it is not seen as the complete solution to Qatar's medical problems. The Ministry of Health has embarked in the last year or so on a campaign to take medicine at primary care level out to the people and to implement an ambitious programme of community health care hitherto unknown in the area. Next year, four urban health centres will open in Doha, another in the suburb of Rayyan and a sixth near a cluster of outlying villages 20 km north of Doha near the road to the northern towns. Three more in small desert villages in the centre of Qatar are almost ready and facilities already available in the coastal towns of Medinat

al Shamal, Al Khor and Al Wakrah are to be expanded. Al Khor is to have a mobile clinic to cover outlying villages.

Particularly interesting are the plans announced for the new industrial area of Umm Said, south of Doha. A well-equipped and staffed accident and emergency unit will be established to deal with industrial accidents and there is to be an industrial preventive health centre so that the environmental health hazards of industry will be taken care of in a more appropriate way based on scientific principles. There is to be an effective inspection department to ensure that industrial safety measures are complied with.

People are the most important thing in medicine and the staff to man the new clinics and health centres are being recruited from Arab countries and will undergo an intensive training programme to ensure that the teams operate as a cohesive unit whether they are physicians or filing clerks, mid-wives or social workers.

It is hoped that this emphasis on primary care at doorstep level covering almost all of Qatar will reduce the number of patients requiring hospitalization and enable illnesses to be diagnosed early. Rather in the way that British doctors are apt to blame their full surgeries on cold November nights on central heating so the uncharitable in Qatar see the advent of handy air-conditioned clinics as an invitation to malingering. It is a fact though that people in Qatar are health conscious particularly where their children are concerned and turn up in increasing numbers for advice. Surely proper advice from the right quarter is much better than the alternative — a supermarket basketful of proprietary medicines from the amply stocked pharmacies in downtown Doha.

For further details contact: Press and Publications Department, Ministry of Information, P.O. Box 5147, Doha, Qatar. Telephone: 321540/4 (5 lines) Telex: 4552 QPRESS DH

HOME NEWS

Britain to cut interest for Soviet deals

BY LORNE BARLING

BRITAIN is to reduce interest rates on its export credit agreements with the Soviet Union, following the signing of a new agreement which will bring the rate down to 7.5 per cent.

The move will bring Britain into line with France and Italy, who have cut their interest rates to 7.5 per cent.

Mr. Edmund Dell, Trade Secretary, said in a Commons written reply yesterday that it had become clear that major countries were applying to their Soviet exports the preferential interest rates prevailing prior to the conclusion of June, 1976.

"It has long been Government policy that British exporters should enjoy credit terms which match those for our major competitors."

The export credits guarantee department has therefore agreed with the Soviet authorities that the rates chargeable under the 1975 agreement shall be modified accordingly, and I trust this will be the way towards gaining further substantial contracts."

Last July, Mr. Dell said in a Commons written reply that the Government intended to raise interest rates on the remainder of the 1975 Soviet credit agreement to 7.5 per cent, but that it was now agreed to reduce the rate to 7.5 per cent.

Although deals worth around £1.5bn are now under consideration, only a small proportion is likely to come to fruition.

The danger of the arrangement, which further undermines the so-called "gentlemen's agreement" on interest rates, is that other countries may now be persuaded to reduce rates or, under the "intermediate" category of countries

Liberals set for new pact, says Pardoe

BY RICHARD EVANS, LOBBY EDITOR

THE READINESS of the Liberals to enter into a pact with either Labour or the Conservatives after the next General Election was underlined last night by Mr. John Pardoe, the party's economic spokesman.

Following formal notice that the present Lib-Lab pact would end with this parliamentary session, in a day that brought a surprising lack of reaction from senior politicians to the ending of the pact, Mr. Pardoe said the Liberals recognised that agreement between politicians in different parties was in the best interests of the country.

"We are prepared to use our influence to maximise that agreement whenever it can be created," he said in his North Cornwall constituency.

The assumption at Westminster is that the Liberals, after seeking to re-establish their political independence as rapidly as possible, will urge the advantages in the next General Election campaign of coalition government, with re-elected Liberal MPs exercising restraining influence on either a Labour or Conservative minority Government.

The decision to announce a withdrawal from the pact well before the event was taken by Mr. David Steel, Liberal leader, because of growing pressures within the party for political independence.

He feared that if he left an announcement until July, unless within the Party would grow to destructive proportions, as fellow MPs and party workers saw an autumn election getting closer.

Mr. Callaghan would have preferred the announcement to be delayed because of the danger that political uncertainty would have an unsettling effect on markets and international confidence.

But it is hoped that the Liberal pledge to maintain the Government in office for the remainder of this session will ensure stability.

Mr. Pardoe claimed the pact had been of great value to the country. The majority of people believed this and the evidence was all around.

Economically, the pact had re-established confidence and the fact that Britain was governable, but the country could change permanently the nature of its politics.

"In future, Britain must be governed by politicians who are more concerned to co-operate with each other, than by politicians who are always seeking a stand-up fight."

"The Liberal Party will now campaign for its very independent policies."

Mr. Ron Hayward, General Secretary of the Labour Party, joined the Prime Minister in stressing yesterday that the Government was in no hurry to call a General Election and was still considering whether to carry on into next year.

On ITN's News at One, Mr. Hayward said: "I do not see a General Election before the end of the year, but if the Prime Minister wants one in October the party is ready."

There was no sign of this, but if October was the date, he forecast that Labour would win.

He rejected reports that the party was preparing for an autumn election by altering its conference arrangements, and said that Transport House had not booked a date for a conference at Wembley in November, a month after a likely election date.

The party was sticking by its arrangements to hold the annual conference in Blackpool from October 2-8.

Mrs. Margaret Thatcher, Conservative leader campaigning in the Hamilton by-election, said the Conservatives were ready for a General Election whenever it came, but she thought the most likely date was October.

Asked what she would think if Mr. Callaghan did not call an election in October, Mrs. Thatcher replied "that he would be scared to have one and that he did not think he would win if he did it."

"If he does not hold it he is now starting to close his options."

S. Wales coalfield loss may be £30m

BY JOHN LLOYD

THE SOUTH WALES area of the National Coal Board is expected to show a loss of about £30m for the financial year 1977-78. This is more than twice last year's deficit of £14.6m.

The deficit means that the Margam colliery development, which was to have gone forward for approval on May 31, will be deferred indefinitely.

Mr. Port Talbot, who would offer which is a fraction of 1 per cent below an offer of 9.75 per cent made to other manual workers on Wearside in the British Shipbuilders group.

A spokesman for Wolsingham, which is also State-owned and makes steel castings for shipyards throughout the U.K., says the weekly difference amounts to something between 15p and 25p.

Wolsingham supplies rudders, stern frames, auxiliary deck equipment and other machinery to British Shipbuilders yards at Appledore, Govan and Tyne and Wear. Mr. Bill Porter, General Manager of Municipal Workers' Union, says that some of those yards could soon be laying off men if the strike continues.

"We are asking for no more than we are entitled to," he said. "We are not in breach of the Government's pay code, and I see no reason why the men should not get the full offer."

Negotiations are being held between British Shipbuilders and the union to settle the dispute.

Wolsingham Steel through Sunderland Shipbuilders, came into public ownership because of the nationalisation of shipbuilding.

Our Labour Correspondent writes:

An appeal to steel industry managers to think again about the failure of their management association to merge with the industry's biggest union was made yesterday by Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation. The move was seen by Steel Industry Management Association officials as the start of an attempt to poach their members.

The association is seeking affiliation to the TUC in its own right after the collapse of talks with the confederation. TUC officials are urging the association to continue seeking a merger with an existing affiliated organisation.

In an open letter to the industry's managers, Mr. Sims invites them to "consider seriously" the implications of a breakdown in the merger negotiations. "If this industry is to succeed, then it is more likely to be achieved under a single united banner," he says. The industry was being "torn apart by fragmented representation."

Shipyards work threatened by steel strike

BY OUR LABOUR STAFF

A STRIKE over pay by 160 manual workers at Wolsingham steelworks, Durham, is threatening vital supplies of equipment for British shipyards.

Although production at the plant, which closed for a week's holiday yesterday, has been maintained, pickets have been preventing supplies from leaving or entering the factory.

The strikers, members of the General and Municipal Workers' Union, are in dispute over a pay offer which is a fraction of 1 per cent below an offer of 9.75 per cent made to other manual workers on Wearside in the British Shipbuilders group.

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Crown Agents probe 'could take a year'

BY MARGARET REID

THE CROOM-JOHNSON Tribunal of Inquiry which in September opens its investigation into the responsibility for the Crown Agents' £234m losses in 1967-74 could last 12 to 18 months, Mr. John Cuckney, the Agents' chairman, said in a personal estimate yesterday.

Mr. Cuckney, introducing the agents' 1977 accounts which show a £5.3m surplus on the traditional business, did not expect that the public inquiry would have any detrimental effects on the agents' operations.

The accounts show that the realisation account, which holds the heavily loss-making property and banking interests from which the agents are withdrawing, incurred a £12m deficit in 1977, after debiting interest on unremunerative funds.

Mr. Cuckney, who is giving up the chairmanship in October after four years, said there was no further net deterioration in the existing situations.

The accumulated deficit of £20m in the realisation account at the end of last year was reduced to £20m by the profit on certain disposals.

The adding-in of the £175m of Government grants, and the crediting of reserves, finally produced a small overall net surplus of £4m.

The accounts show that only some £4m is now needed to complete the major Australian property programme, which was one of the agents' most controversial developments and which will ultimately be disposed of.

The agents, who carry out purchasing and investment services for about 100 governments, placed a £150m trust to buy their supplies and recruitment directorate in 1977, 78 per cent of the business going to UK suppliers.

By the end of March 1978, deposits placed with the agents by their overseas clients totalled £80m, £56m higher on the year.

The inquiry, following the detailed Fay Report on the Agents' secondary banking and property ventures published last December, is likely to involve a look at the role of Government Departments and the Bank of England in relation to the affair.

Scots Nationalists will make big effort to take Hamilton

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH National Party Conference yesterday closed by ranks behind Mrs. Margo MacDonald, candidate in the important Hamilton by-election next Wednesday, as she attacked the Labour Government's economic failure in Scotland.

Mrs. MacDonald received a standing ovation when, in a break from canvassing, she addressed the conference in Edinburgh.

In the constituency, Mrs. Margaret Thatcher, Leader of the Opposition, went for a walk about yesterday, and the Labour candidate announced that Mr. Anthony Wedgwood Benn, Energy Secretary, would speak in his support today.

Gloomy predictions about the SNP's chances of taking the Hamilton seat from Labour have subdued the mood of delegates. But they decided yesterday to make a huge effort in the final days of the campaign.

A suggestion that the conference should end early to allow every delegate to canvass in the constituency was rejected.

But it was agreed that each delegation should send a fifth of its members to help in the fight this afternoon.

This move will swell the Nationalist troops in Hamilton by up to 500.

Mrs. MacDonald, introducing the Party's economic strategy for independence, said the Government hoped to float Scotland's opinion off on a cloud of optimism towards an October General Election.

The facts were that since 1974, prices had virtually doubled and the inflation rate was at least twice that of the UK's main industrial competitors.

In spite of the massive contribution of Scottish oil, the UK's balance of payments has suffered from surplus to deficit like a drunken sailor.

"Unemployment in Scotland smashes one record after another. The post-war record of 203,000, achieved last February, will be smashed in June by next February, if not before."

"Even more ominous, the level of new investments in the UK trails far behind that in almost every other European country. For every £3 of new investment in Scotland, the rest of the country is getting little more than £1."

The next five to 10 years offered Scotland the sort of opportunity that came to a nation only once in every few hundred years.

"We have, behind us, a century of relative economic decline. It's up to us to choose now how Scotland will fare in the next 100 years."

The economic programme, unanimously approved, laid down the broad principles on which an independent State of Scotland would be governed.

With a reduction in unemployment and inflation, it calls for import substitution, revaluation of the Scots pound, and the renegotiation of existing international treaties.

Mr. Douglas Crawford, MP for Perth and East Perthshire, called for decentralised economic management to resist the centralisation of the divide two-party system which was a disincentive to investment.

Mr. William Wolfe, SNP chairman, said: "How can some of our fellow Scots believe that a British party, a royal, imperial British Labour Party—is genuine in its concern for Scottish democracy?"

U.S. textile industry against any concessions on tariffs

BY RHYS DAVID, TEXTILES CORRESPONDENT

AMERICA'S textile industry says it will oppose any concessions by the U.S. Government on textile tariff levels at the present GATT multilateral trade negotiations.

The U.S., with a much higher range of tariffs on textiles and clothing than the EEC, has made one offer of reduction at the negotiations which has been strongly criticised in Europe as inadequate.

Mr. Edmund Dell, Secretary for Trade, at an international conference on textiles in London this week urged the U.S. to change its policy and follow a liberal one.

In Britain a sustained campaign has been waged to persuade the U.S. to reduce its 40 per cent duty on wool textiles.

At the conference yesterday Mr. Robert Small, president of the American Textile Manufacturers' Institute, said the industry was continuing to press for all textile and apparel tariffs to be exempted from the negotiations. He claimed substantial support for this position in both Houses of Congress.

In Europe there remains a strong hope that the Americans will produce an improved offer making it easier for developing countries to sell into the U.S. market.

The other main U.S. trade body involved, the clothing manufacturers, are more dependent on textiles and clothing for employment, and mentions the rise in imports in recent years.

In Europe it is pointed out that total import penetration remains low in the U.S. compared with Britain or West Germany. The U.S. industry claims that next to oil, textiles is the second biggest element in the U.S. world trade deficit.

The textile deficit is estimated this year to exceed \$3.5bn.

The industry believes that a big round of capital investment is needed to allow much higher levels of producing of bulk yarn and fabric output. A period of certainty on tariffs was needed for the necessary modernisation, Mr. Small said.

The industry would press for revision of the agreement made at the end of last year.

Mr. Y. C. Chen, chairman of Hong Kong Cotton Spinners' Association, bitterly attacked the textile import policy of the European Community as unfair, discriminatory and imposed upon Hong Kong by force.

The Common Market, he told the conference, "has demonstrated little that is normally expected of a fair and reasonable trading partner."

One wonders whether those responsible held the view that force is right, and that they had the ability to impose their will on the weaker trading partners."

Exports of beef almost doubled

By Christopher Parkes

BRITISH EXPORTS of home-produced beef almost doubled in the first three months of the year. Sales abroad of pork and live animals also increased sharply above 1977 levels.

At the same time, while many British fishing boats were laid up, imports of frozen fish jumped 64 per cent. Cod imports were 87 per cent higher, and haddock purchases rose 49 per cent.

The main suppliers of fish were the Icelanders and Danes. British boats are no longer allowed to fish off Iceland.

Biggest buyers of British beef and live animals were the French, who sell much of their own production to the Italians.

The heavier exports of meat have been largely blamed for the recent increases in meat prices in British shops.

Imports, too, have been lower than last year.

In the first quarter of the year, foreign buyers took home 107,000 head of cattle and calves compared with 46,000 in the corresponding period last year. They also bought 117,000 head of sheep compared with 92,000.

Beef exports were 28,000 tonnes compared with 16,000 tonnes, and earned £40m against £21m last year.

Burmah group calls again for disclosure

By Margaret Reid

INVESTORS in Burmah Oil are again being urged to support the resolution the Burmah Shareholders Action Group is to propose at the annual meeting demanding that the Board disclose documents about the company's take-over of U.S. oil interests in late 1973 and its financing.

The action group thinks that particulars in the documents of the re-negotiation of \$420m loans (originally worth £18m) shortly before Burmah's 1974 financial crisis, which led to the Bank of England's rescue operation could affect Burmah's legal case against the Bank.

Burmah is suing the Bank for the return, at the original purchase price plus dividends, of the 30 per cent shareholding in British Petroleum which the Bank took over at 1975 prices as part of its aid package.

Mr. Alastair Down, Burmah's chairman, has pressed shareholders to support the action group's resolution. He has promised a fuller statement at the annual meeting in Glasgow on June 9.

The action group, in a new message to shareholders, claims that the circumstances before Burmah's crisis were so abnormal that considerations which might normally make disclosure of documents inappropriate should not apply.

Postal union backs seats on board plan

BY PHILIP BASSETT, LABOUR STAFF

THE UNION of Post Office Workers yesterday gave strong backing to the Post Office's five-month-old experiment in industrial democracy, based on the appointment of trade union members to the Post Office Board.

However, the two union members of the Post Office Board did not present difficulties for the union's negotiations with the Post Office. A balance had to be struck by the union members of support to two controversial Post Office plans unacceptable and doing nothing.

Mr. Rowley said that it had been easy before the experiment to point out to the Post Office when things went wrong that the unions had told them so. The experiment gave the union a chance to show that it knew how to run the business.

Some delegates felt the union's Board members were "already out of sympathy with the members." Others, however, welcomed the experiment and hoped union members of the Board would help avoid some of the union policy which opposed "stupid" decisions taken.

One of the principal difficulties with the industrial democracy experiment, the report said, was a possible conflict of loyalty between the interests of the Post members to the Post Office and those of the unions.

A further problem was to try to maintain a position which did not present difficulties for the union's negotiations with the Post Office. A balance had to be struck by the union members of support to two controversial Post Office plans unacceptable and doing nothing.

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Banknote output halted by printing workers

BY NICK GARNETT, LABOUR STAFF

THE BANK of England has been prevented from distributing any new notes from its sole printing works for the past 10 days because of a dispute involving members of the Society of Graphical and Allied Trades.

The dispute arose over a closed shop claim by the bank's note examiners at the Loughborough works in Essex. According to the Bank, half of the 600 examiners belong to SOGAT.

Since the early part of last week, the bank's delivery drivers have been refusing to despatch new notes—of which the bank normally prints between 5m and 6m a day—in sympathy with the examiners. Non-SOGAT examiners have apparently been prepared to work normally.

A spokesman for the bank said the problem in distribution of the notes, which replace old currency, would not have had a significant effect as yet.

Dispute between unions threatens Scots trains

FINANCIAL TIMES REPORTER

RAIL SERVICES in Scotland are threatened with disruption through another dispute between the railway unions, the Associated Society of Locomotive Engineers and Firemen (ASLEF) and the National Union of Railwaymen.

The society claimed yesterday that the railwaymen's union was "poaching" some of its 3,000 Scottish members, and warned that unless British Rail took steps to resolve the issue, drivers would turn up for work but refuse to take trains out.

Mr. John Walker, the society's Scottish organiser, said that for the past six months, officials of the railwaymen's union had put pressure on drivers who were down-graded through health or other reasons, to become signaller, guards, porters, and other semi-skilled workers.

While he could only identify five men who had joined the railwaymen's union, Mr. Walker said that they were being applied at all Scottish depots, with his members being threatened with possible job loss, no promotion and barred from overtime work.

The 450 society members at Polmadie depot in Glasgow, who crew Anglo-Scottish services and local commuter trains, meet tomorrow to discuss the issue.

British Rail in Glasgow said that the Board had approached the railwaymen's union in London for an early meeting on the problem. But it is thought that British Rail views the dispute as purely inter-union and, therefore, outside its control.

Yorkshire pit strike goes ahead on June 5

BY OUR LABOUR CORRESPONDENT

YORKSHIRE MINERS' leaders announced that it would go ahead after an unsuccessful meeting with National Coal Board officials yesterday.

The board said last night that local negotiations could proceed no further until agreement was reached with the National Union of Mineworkers nationally.

It deplored the fact that the strike had been called for a day on which a meeting would be taking place which would make it possible to settle the issue.

The rescue men, who at present qualify for 40 per cent bonuses under an incentive scheme, demand that this is increased to 100 per cent.

Yorkshire miners threatened the strike last week and Mr. Arthur Scargill, area president,

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THE WEEK IN THE MARKETS

Something's got to give

THURSDAY should have been a time of high excitement in the City. The Chancellor published his latest letter of intent to the International Monetary Fund, and the Liberals gave formal notice of their coming withdrawal from the Lib-Lab pact. The Bank of England abandoned its market-related formula for establishing Minimum Lending Rate, and went back to something like the old bank rate. And there was a stream of profits news from major companies, led by ICI— together with an announcement that English Property Corporation, was in bid talks.

But the only reaction in the securities market seemed to be stifled yawns and early trains. Equities and gilts continued to trade in a narrow range, as they have throughout a week in which the level of activity has fallen off noticeably.

Sooner or later, something is going to give. Either the Government will convince the City that it can reconcile its spending plans with its monetary objectives, or it will be forced to offer them gifts at prices which they cannot refuse. There is no incentive to do anything in the fixed interest market until this issue is resolved and equities face a two-way pull between the threat of higher interest rates and the hope of higher profits and dividends in the coming months.

In the circumstances, the City decided that the thing to take really seriously was the long week-end.

ICI pleases

A favourable movement in the value of sterling and a

LONDON ONLOOKER

modest improvement in trading performance in the UK and Western Europe helped ICI to achieve a profit before tax and grants of £112m for the first quarter of 1978. While down on last year's first quarter it was an improvement on the last three months of 1977 and was better than most observers had anticipated.

The market was a little nervous before the figures were announced on Thursday but reacted with enthusiasm during the afternoon to push the price to 388p, a gain of 10p.

Petrochemicals and fibres remained the group's major problem areas with last year's fibre losses continuing into the current year. Efforts are being made within the company to improve the competitive position in terms of output per man employed but progress is slow. Group sales at just over £1bn were 2 per cent down on the first quarter of 1977 with sales in overseas markets accounting for most of the drop. The FOB value of exports from the UK was also down on the comparative period last year.

ICI's comments about improved trading conditions in Europe are consistent with the experience of other major chemical companies operating in the market but the twin problems of over capacity in the fibre and petrochemical industries and flat demand force

the company and market analysts to remain only cautiously optimistic about performance in the full year. Estimates of the full year result have been nudged up a little and the range is now £47m to £50m before tax. This compares with 1977's actual figure of £483m pre-tax.

New issue activity

The staggering response to the Eurotherm offer for sale, —85 times oversubscribed and the shares opening at around a 50 per cent premium—may have caught the imagination of a few companies hoping to "go public." But it is unlikely to herald any flood of new issues.

Earlier this year Saga Holidays also met with a good response — oversubscribed 12 times — and Ford main dealer C. D. Bramall is intending to get a quote next week by way of a placing. Others are on the way, but there is not a big queue. There has been a build-up of rights issues during the last couple of months—£73m has been raised so far in May — and capitalisation issues of preference stock are fast becoming fashionable as a way of increasing shareholders' income. But the list of companies waiting to raise new equity is only a couple of months long and there are plenty of gaps.

Although there might be some staggering opportunities to come, one issuing house is understood to be studying ways of avoiding charges of wrong pricing. A possibility is an offer for sale by tender, which shifts the pricing decision on to the public rather than the advisers. It has been done before but it is not popular.

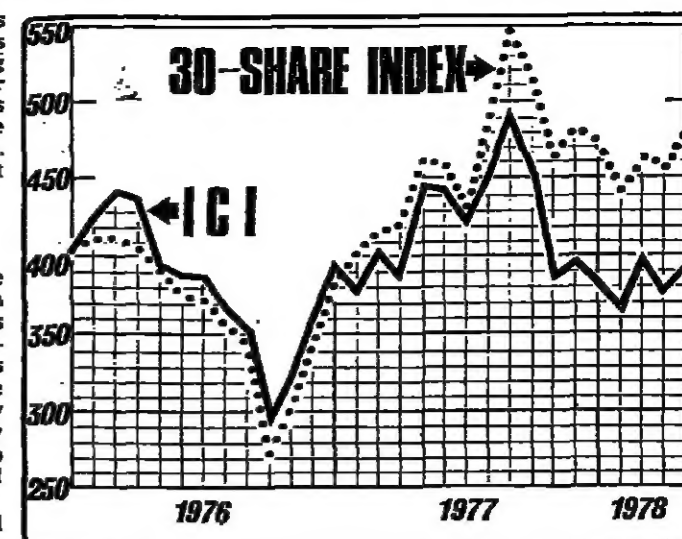
Albright dilemma

Tenneco's £100m bid for the shares of Albright and Wilson does not already own puts the Board of Albright in a delicate situation. The directors have been very happy with the existing arrangement whereby Tenneco behaves like a kindly uncle, and leaves Albright to manage its own affairs. Now all that could change.

There is not much the Board can do to resist the approach since Tenneco has 9.8 per cent of Albright and the right to convert another 0.7 per cent. The more strident opposition to the terms of 185p per share, the more difficult relations might be between the two companies if Tenneco consolidates its control.

Yet there has been overwhelming opposition to the terms by stockbrokers who know Albright. The brokers are able to do some of the directors' public relations work for them, without causing offence.

The stockbroker lobby has been claiming that profits will rise this year from £354m to £40m and that 1979 will see the fruits of earlier capital investment and profits in the £46m to £49m range. On this basis, and using ED19 to help the argument, the prospective 1979 p/e



is about 6—which they say makes the price too low.

Borthwick's problems

When Borthwicks was floated in 1976 potential shareholders were warned that the meat business had fluctuating fortunes. The truth of this remark, unfortunately, is now all too clear. The six months figures to March reveal pre-tax profits down by more than 50 per cent to £2.2m and a question mark has been placed over the dividend prospects for the year as a whole.

One of the main problems is the New Zealand operation, which is a mainspring of the group. It accounts for 40 per cent of the net tangible assets and in a reasonable year pro-

It's a gamble

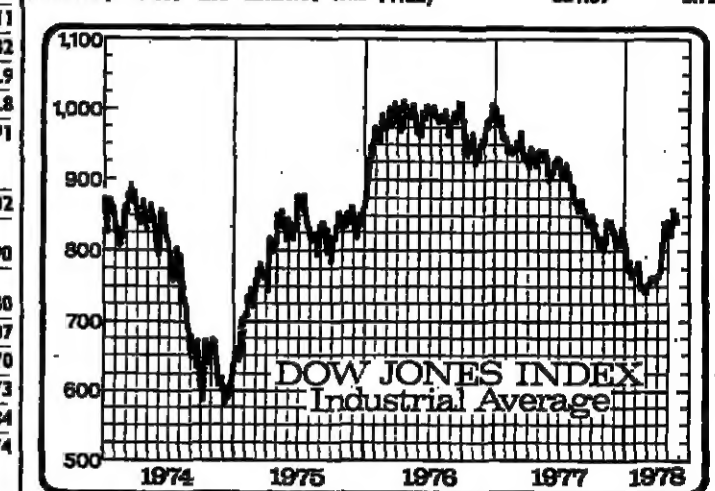
THIS HAS been a week for technical analysis and much the most puzzling since the market took flight on April 12. No sooner had this column noted the last Saturday that the market had recently developed a strange appetite for bad news which last year made equities as popular as private enterprise in the Kremlin than the New York Stock Exchange took poorly.

Deceptively the Dow Jones Industrial Average gained 8.5 points on Monday but a clear sign that investors were pausing for thought was the trading volume which fell back to, perhaps, around the 800 mark. Goldman Sachs gave expression to some of the thinking behind this analysis early in the week when it advised institutional clients to reduce their exposure on equities, pension funds from 70 per cent to 65 per cent and mutual funds from 80 per cent to 85 per cent. Publication of this fact built on concerns which became more evident this week about the outlook for inflation and interest rates. Both appear to be going up and it is already anticipated that the April consumer price index figures to be published next week will be bad, not least because the rise in food prices, which climbed at an annual rate of 16.4 per cent in the first quarter, show little sign of levelling out.

While glamour stocks have proved vulnerable during this week's fall in the Dow, one category of stocks has been in some demand. This weekend sees the start of the first legalised gambling casino outside the state of Nevada. Resorts International hotel is expected to be filled with throngs of eager roulette players and blackjack enthusiasts and the potential success of investing in legalised gambling at Atlantic City, New Jersey has made this a good week for so-called gambling stocks. Caesar's World, which operates Las Vegas casinos, was in strong demand on Monday because it plans to lease and then build an hotel and gambling casino in Atlantic City.

Those institutions and foreign investors who have waded into the U.S. stock market recently can take comfort from the fact that few technical analysts will believe so. The general explanation seems to be that some kind of "intermediate" correction is to be expected and that price levels, coupled with known potential demand, point to a recovery after the market has

	Close	Change
Monday	855.42	+ 8.50
Tuesday	845.29	-10.13
Wednesday	837.92	-7.37
Thursday	835.41	-2.51
Friday	831.69	-3.72



MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978	1978
	Yday	Week	High	Low
Ind. Ord. Index	476.1	+ 5.5	497.3	433.4
Albright & Wilson	163	+39	166	86
Avon Rubber	186	-28	219	174
Borthwick (Thomas)	54	-11	73	54
Capital & Counties	148	+98	148	50
Caravans Intl.	72	-12	96	72
Dobson Park	95	+10	95	67
English Property	48	+11	51	27
Eurotherm	148	+48	153	142
ICI	390	+20	390	328
Johnson-Richards Tiles	100	-34	134	79
Metals Exploration	40	+14	40	10
Messina	99	+22	99	70
Northern Mining	132	+48	153	9
Sharpe (W.N.)	198	+23	205	134
Western Bros.	97	+40	97	56
Whim Creek	65	+10	70	35

† Based on offer price.

U.K. INDICES

	Average	May	May	May
	week	26	19	12
FINANCIAL TIMES				
Govt. Secs.	70.31	71.03	71.11	
Fixed Interest	71.95	72.30	72.32	
Indust. Ord.	473.4	479.7	478.9	
Gold Mines	153.9	151.1	146.8	
Dealings mld.	4,979	5,516	5,391	

	Capital Gds.	Consumer	Cons. (Non-Durable)
Capital Gds.	211.90	213.84	212.02
Consumer	193.79	197.10	196.90
Cons. (Non-Durable)	201.31	204.93	205.30
Ind. Group	209.39	211.37	210.07
500-Share	233.11	235.16	233.70
Financial Gp.	164.79	168.04	167.73
All-Share	214.87	217.24	215.84
Red. Debt.	57.40	57.80	57.74

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Diamond fever

THE ONLY THING that will stop the boom in Australian mining stocks will be the Sydney computer breaking down, said one UK investor as he contemplated the rise in the market over the last fortnight. Brokers handling the business are not quite so outspoken.

Yes, they concede, the market is indeed very strong, but after the sustained rise there is bound to be a technical reaction. Anyway, when the Sydney market closed yesterday, the Metals and Minerals Index was still at a lower level than in May last year. It was 2212.84 compared with 2579.0 on May 22 1977.

A large portion of the buying has in fact come from outside Australia. It started in the UK

said on May 2, "Three more years could elapse before it is known whether diamonds exist in commercial quantities. The construction of a processing plant could take a further two years."

Mr. Carnegie, at least, is hedging his bets and if his time spans turn out to be correct then the Australian market will have time to go through another couple of boom-depression cycles.

RTZ, which owns 72.6 per cent of CRA, is also hedging its bets on future development. The higher capital cost of mines and the likelihood of more stringent conditions on loans in the financial markets has led it to the conclusion that it can no longer take a sole dominant position in new ventures.

MINING

PAUL CHEESERIGHT

and then drew in first the U.S. and afterwards Europe. With the help of Australian institutional interest and local speculative buying, heavy volumes have been traded. Yesterday was one of the strongest day's trading in Sydney for two years.

Copper and energy stocks have led the way, prompted by the events in Zaire and the growing vigour of the Australian Government's uranium development policy. But what has been most striking has been the sharp increase in the value placed on small exploration companies.

Northern Mining has been particularly noticeable. In London it closed yesterday at 132p for a gain on the week of 48p. The attraction is the lure of diamonds, as Northern Mining has a 5 per cent interest in the Ashton diamond venture.

Ashton is dominated by Comstar Rotondo of Australia—part of the Rio Tinto-Zinc group—with a 52.5 per cent stake. It is managing the search in the Kimberley region of Western Australia.

But other companies with leases nearby, like Otter Exploration and Bamboo Creek, have also been struck by the market's diamond fever. The feeling is abroad that CRA is on a certainty, that Ashton will be a diamond production centre.

Tongues wag about CRA setting up a pilot plant. This is not a pilot plant, it is a processing plant some people claim. But only CRA can know.

And for the record, Mr. Rod Carnegie, the CRA chairman, plant.

Partners are necessary, Sir Mark Turner, the chairman, told the annual meeting. And the best place to find them, it seems, is among large oil companies with, as he put it, "their substantial cash flows and engineering experience, and interest in diversifying into minerals."

Looking at the immediate prospects, he warned the shareholders that results in the first half would not be as good as in the first six months of 1977 when net attributable profits were £42.3m. The group's problems are common.

Zinc prices have been depressed and copper prices have been low, although the mining companies must have been encouraged by the recent rise in the London Metal Exchange cash copper price which closed yesterday at over £770. At the beginning of the month it was £691.5.

The iron ore business has also been sluggish in the face of recession in the steel industry. On the other hand, Sir Mark thought results from Canada, the U.S. and the UK would be as good if not better than last year. He saw signs of strengthening in the U.S. economy which could lead to higher base metal prices later in the year.

At the annual meeting he faced strenuous questioning from anti-apartheid groups about the Rossing Uranium mine in Namibia (South-West Africa). RTZ's beneficial interest is 48.5 per cent.

On Wednesday night, only hours after Sir Mark had been speaking, a fire broke out at one of two solvent extraction plants at the mine. Production stopped and it will take six months to replace the destroyed plant.

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1974	607,291
1975	898,528
1976	1,016,411
1977	1,016,411

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- * Dividend of 3,624p (maximum permitted) covered 4 times
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- * Current sales 40% ahead on last year

Sales for the year increased 28% to a record £22.3m and current sales are some 40% ahead of the corresponding period of 1977. Earnings per share have increased from 10.0p to 14.8, and it is the Board's intention, once circumstances permit, to bring future dividends more into line with increases in the Group's profitability. Total selling space increased 16% to in excess of 7 million square feet. Plans to open a further 5 stores totalling 40,000 square feet are well advanced, and these include new Home Charm stores which will be two to three times larger than the smaller less profitable units closed over the past two years. We anticipate that 1978 will be another year of substantial growth for the Group, and I look forward to reporting another record profit.

Manley Fogel, Chairman

Copies of the Report and Accounts may be obtained from The Company Secretary

TEXAS HOME CARE

FINANCE AND THE FAMILY

Outside the Rent Act

BY OUR LEGAL STAFF

I let off a fully furnished four bedroom house, (two singles and two doubles to young men who have signed separate licences and pay me individually. However, I am wondering whether this licence is not outside the Rent Act, as it allocates a room to an individual and says nothing about sharing the whole of the house, including the bedrooms. What, please, is your opinion? The effect of your "licence" agreement is probably not to oust the operation of the Rent Act 1977 entirely, and it could create a true tenancy of the room designated. However the recent decision of the Court of Appeal in *Somma v. Hazlehurst*, The Times March 7, 1978 makes it possible to argue that the parties did intend to create a licence wholly outside the Rent Act. We still think it desirable to require full sharing of the whole of the premises if the Rent Act is to be avoided.

Enforcing a transfer

Included in my late mother's estate, which is not yet settled, were some shares held in trust for my brother and me. The senior executor has written "with you and your brother's permission, we can, of course, transfer the shares to you now." I replied by return and with my brother's agreement, that we wished the transfer to be made, but despite further requests over the past four months, nothing has been done. How can I get a speedy transfer? Provided your brother's agreement or request to have the shares transferred is demonstrated in writing signed by him, you can insist on the transfer. You should write by recorded delivery service stating that unless the transfer is effected

within delay you will commence proceedings against him for delivery up of trust funds to which you (and your brother) are absolutely entitled beneficially. If necessary proceedings can be instituted in the Chancery Division of the High Court or in the County Court (depending on the size of the estate).

The price of a freehold

Can you tell me of any formula or guidelines there may be for the price to be paid for the purchase of a freehold, in accordance with the terms of the Leasehold Reform Act? There is no formula in the sense of a simple rule of thumb. The Leasehold Reform Act 1967 (as amended by the Housing Act 1974) makes provision as to the basis of valuation to be adopted. Subsection 9 (1A) provides a more generous (in favour of the freehold reversioner) computation where the rateable value exceeds £1,000 in Greater London (£500 elsewhere). You would be wise to consult a surveyor/valuer to obtain a figure.

Ownership of a ditch

We are trying to establish the boundary of our land fronting onto a bank over a ditch. I understood that when a ditch was dug and the spoil thrown back to make a bank it was the land of the person digging it according to the common law. We usually clear the ditch but on occasions

it has been done by the Highway Authority and I have been advised that in these circumstances, it would be unwise to pursue the question of ownership of the ditch against them. What please is your view? Unfortunately we think it is incorrect to surmise that the common law recognizes any rule or principle relating to the ownership of ditches. The matters which you mention, digging the ditch, throwing up the spoil and cleaning the ditch, may be acts which are indicative of ownership, but in each case it is a question of fact as to where the true boundary of your land lies; and questions such as this are often extremely difficult to resolve. However the mere fact that the Council has occasionally cleared the ditch would not establish ownership in the Council, more especially if the Council's clearing was only effected at your (or your predecessor's) request.

Drawing up a lease

My mother, who is disabled, is coming to live with my sister and me, and in order to qualify for an improvement grant for a cottage we own, I am told we shall have to give my mother a lease for six years or more. Is a legal document necessary and can I write the lease myself? A lease is a legal document, but there is nothing to stop you drawing up such a document yourself. It must be a deed if it is for more than three years. However there are many complexities and potential pitfalls in drafting a lease, and you may

Winding up a small estate

With reference to our reply under Winding up a small estate (May 13) we are informed that the facilities provided by section 33 of the Customs and Inland Revenue Act of 1981 are no longer available. The section itself was finally repealed by the Finance Act 1976, whilst the simplified process for small estates referred to in that section was effectively terminated with effect from April 1, 1965 by the Finance Act 1967.

As regards the issue of grants of representation in England and Wales, there are no financial restrictions or limitations. Application must be made to either the Principal Registry or one of the district probate registries, in all of which special facilities exist for the convenience of applicants acting in person without the aid of a solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Meanwhile, we offer the following answers: (1) No, you should be exempt under article 20 of the 1975 U.S.-U.K. double taxation convention, if it is ratified by the U.S. (no doubt you have seen reports on its progress in the Financial Times); otherwise under article XVIII of the 1945 convention. (2) (a) No, for reasons explained in the booklet IR25 (1977), probably not. (b) Yes. (3) Probably not. (4) Yes. (5) Your statement of the facts should suffice. (6) Probably not, but your wife may.

As an intelligent businessman you've probably tried to provide for every eventuality. Fire and burglary. Bad debts and public liability. Fidelity bonding and professional indemnity.

But what about the most vital part of your business? Probably the biggest contributory

factor in your success. Human beings. Key personnel. Your partners and co-directors.

If someone of immense importance to your business suddenly dies, you may take months—even years—to replace such a person.

Could your business stand the long term effects of such a loss?

You might find that the bank wants to curtail the overdraft. Or you can't meet all-important delivery dates. Or you lose major sales contracts. Meanwhile, what happens to the business?

There is an answer. You can insure against such a loss of vital people. You can be helped over the financial hurdles that result from such losses. Our 134 years of successful money management can provide just the protection you want.

Take steps immediately to look into Equity & Law's Business Assurance schemes. They are more than an investment. They are essential to your business.

Talk today to your financial adviser. Or contact us direct. This is something so important, it could prove costly to delay.

Equity & Law

Equity & Law Life Assurance Society Limited, 20 Lincoln's Inn Fields, London WC2A 3ES.

FROM READING the number of advertisements in glossy magazines for collectors' items, limited editions of prints and memorabilia coins one might have thought that the business of producing collectibles, as they are called in the trade, was booming.

But Franklin Mint of Pennsylvania says no. And Franklin Mint should know because it is one of the largest producers of collectibles in the U.S., and it runs the largest private mint in the world. In fact, Franklin Mint is so gloomy about the prospects that it is going to start producing food and women's clothes instead.

Until a couple of years ago, Franklin was one of the most successful companies in the States. Starting from 1964 it enjoyed an unbroken rise in sales, reaching over \$300m in 1976.

Apart from a good eye for what collectors wanted, the secret of Franklin's success was good publicity, an efficient mail order system, and a policy of offering items in a series (like a set of coins or a group of prints) which were not expensive individually, but not worth much, either, unless the collector had them all.

The company was helped by the fact that there were quite a few historic dates to celebrate with special medallion issues (the U.S. Bicentenary, for example), and inflation-harassed investors were casting around for items of value to put their money into.

think it wise to obtain professional assistance. When executed the lease will have to be stamped on payment of stamp duty, as will the counterpart, the latter bearing only a fixed duty of 25 pence.

Liability of a trustee

I am one of four trustees of a club, who hold the club's property. An expensive rebuilding scheme is mooted, which I fear could cause the club to become insolvent. In that case, could a trustee's personal funds be at risk and if so, is there any way in which this could be avoided? At what stage would a trustee have to resign in order to avoid the dangers?

While you would be entitled to an indemnity out of the trust property, there is nothing to limit your liability to a third party such as a trader or builder. Unless therefore you stipulate in any contract that you are contracting as trustee and not in your personal capacity your personal funds could be at risk. If you wished to avoid risk by resigning as trustee that would have to be done before the contract is entered into.

Sounding out the music makers

It might, to you, seem a curious quirk of human nature, that anyone should be prepared to pay \$550 for a violin bow. On the Tuesday afternoon some two weeks back when this bow, along with almost 40 others, was auctioned in the Royal Water Colour Galleries at prices which ranged up to £2,000. But according to Sotheby's, which conducted the auction, the market in violin bows is now very lively indeed.

They come, almost exclusively, from private owners, and they go to three classes of buyers: players—whether amateur or professional; collectors; and the trade. The first two categories are, according to Mr. Graham Wells of Sotheby's musical instruments department, almost invariably connected: it is very rare to find a collector who goes into instruments quite simply for the money. But even so, there are collectors with drawers full of violin bows: "far more than they could possibly use."

What on earth do they buy them for?

Well, for a start they are, as Mr. Wells points out, and I am closer inspection, was obliged to agree, very beautiful things, with their gold and silver mountings and their long, slender, carefully whittled sticks. They are, in addition, eminently portable—much more so than, say, the chamber organs of the late 18th century pianoforte also sold that day. And they do not require all that much in the way of care and attention—you can put them away in a drawer and leave them to it. And that is as much as you can say for cigarette cards.

Whether they will rise in value is, to the collectors of musical instruments only one among other considerations: but it has to be said that they most certainly have increased in value. Not at a uniform pace, however. At the turn of this decade (which is as far back as any consistent series goes, five years; and woodwind instruments first head of the musical instruments department at the

end of the 1960s) there was some sluggishness in prices; but the sale of the "Lady Blunt" Stradivari violin in 1971, for \$84,000, established this as a market to be reckoned with in financial as well as artistic terms; and since then there has been big money going into violins and violoncellos, harps-

chords and dulcimers, and more recently into woodwind instruments.

The consequences are to be seen in the prices of individual instruments. French 19th century violins, of a kind that would have fetched £120 in 1969, command some £900 today. More dramatically still, the price of the pretty, square pianos built in the late 18th century for the chamber music of Mozart and his contemporaries, has risen from around £100 to over £1,000 in the last five years; and woodwind instruments that could have been picked up in a junk shop ("it

wasn't worth a proper antique dealer's time to handle them," says Mr. Wells) for a few pounds in the early 1970s, will fetch £700-plus in the auction market to be reckoned with in financial as well as artistic terms; and since then there has been big money going into violins and violoncellos, harps-

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The domestic burglar at bay

THIS WEEK I met a friend who has just moved—a matter of a couple of miles or so from his previous home—to acquire a larger house, more convenient both for his family and his daily travelling needs. All, I gathered, had gone to plan, but my newly installed friend had discovered one snag—his new home is in one of the local higher-risk crime areas. Already some of his neighbours have been bending his ear about frequent burglaries, and he has had an unsolicited approach from a local firm offering him a free survey and quotation for a burglar alarm installation.

It was on the subject of burglar alarms that much of our conversation centred: I had to confess that I am not very much in favour of the installation of burglar alarms in private houses, except in those where more than ordinarily valuable property is kept, and those where local conditions demand that all possible steps are taken to keep thieves out. In fact, the vast majority of ordinary homes, whether houses or flats, do not fall into either category.

Fortunately, I think, most insurers are still agreed that the average private house is vulnerable in so many readily accessible

points that it is scarcely feasible to have the kind of comprehensive alarm system of the sort that is installed in shop or office to protect effectively the relatively few points of entry.

Every local police force has its crime prevention officer who is ready and able to give advice

provide the names of alarm companies in the locality, together with the names of other firms providing anti-theft equipment, whose work and equipment is known to be of satisfactory quality. It is rare for insurers positively to recommend one particular firm, and usual practice is for insurers to provide the policyholder with the names of several firms, leaving him to get quotations and to make his own choice.

Incidentally, it is unlikely that any firm canvassing for business will in fact be a firm that many insurers will name as being acceptable: those firms who normally figure in insurers' lists already have quite enough work to keep them busy.

The policyholder who sets out to protect his home to a greater extent than his neighbour, after he has spent his money, should be able to sleep easier or worry less when he's away from home, but he will seldom if ever get any financial benefit from his insurers by way of positive premium reduction.

Earlier in this article I mentioned two exceptional categories of home, where more than ordinarily valuable property is kept, or where location

renders the home very vulnerable to criminal attack. All insurers providing domestic cover have financial ceilings and district boundaries beyond which they will not go at their standard rates, and beyond which they may positively stipulate for the installation of a whole range of protection as the condition of providing or continuing cover.

Anyone faced with this kind of demand can, of course, shop around and see if a change of insurer will avoid the substantial cost involved in the purchase and installation of equipment, safe, burglar alarm and so on: but shopping around, normally, is a short-sighted action, not to be considered unless one is convinced that insurers' demands are utterly unreasonable. All the time all insurers are tightening up their domestic underwriting standards, and in changing companies one is almost certainly delaying the inevitable by only a year or two. Moreover, with any change, the goodwill built up over several years is lost—and it is a hard fact of life that in any dispute a new policyholder will probably not get the same consideration as one of long-standing.

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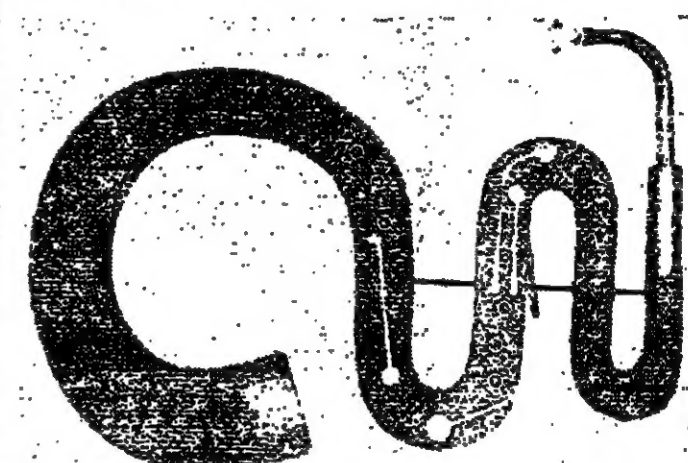
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INSURANCE

JOHN PHILIP

Sounding out the music makers



An English Serpent, sold by Sotheby's, dating from the second quarter of the 19th Century.

end of the 1960s) there was some sluggishness in prices; but the sale of the "Lady Blunt" Stradivari violin in 1971, for \$84,000, established this as a market to be reckoned with in financial as well as artistic terms; and since then there has been big money going into violins and violoncellos, harps-

chords and dulcimers, and more recently into woodwind instruments.

The consequences are to be seen in the prices of individual instruments. French 19th century violins, of a kind that would have fetched £120 in 1969, command some £900 today. More dramatically still, the price of the pretty, square pianos built in the late 18th century for the chamber music of Mozart and his contemporaries, has risen from around £100 to over £1,000 in the last five years; and woodwind instruments that could have been picked up in a junk shop ("it

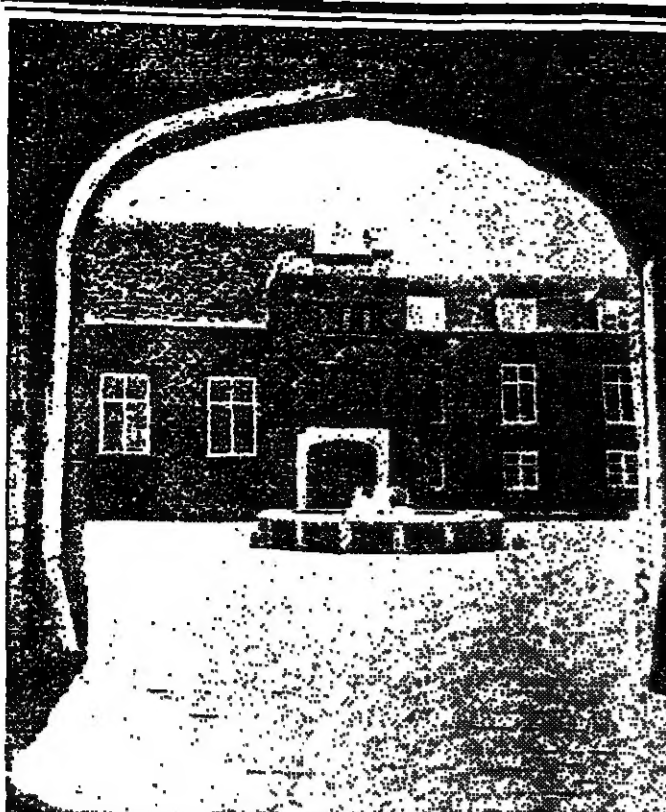
wasn't worth a proper antique dealer's time to handle them," says Mr. Wells) for a few pounds in the early 1970s, will fetch £700-plus in the auction market to be reckoned with in financial as well as artistic terms; and since then there has been big money going into violins and violoncellos, harps-

chords and dulcimers, and more recently into woodwind instruments.

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YOUR SAVINGS AND INVESTMENTS



Life in the palace

THE LONDON offices of insurance companies are usually either solid and Victorian, or massive steel and glass edifices. The London base of Ecclesiastical Insurance Office, however, is refreshingly different. It is housed in part of a bishop's residence, Fulham Palace (above).

The EIO, as it is known, is very much the "church militant" as far as life assurance investment is concerned. Its latest bonus announcement, made this week, puts the company top for the performance of its 25 year term policies. For some reason the company ends its year on February 28 (February 29 on leap years). It is the smallest of the life companies that do not pay commission to intermediaries, and this is one reason why it can offer such good returns on profit endowment contracts—and one

Competing interest

FOR MANY years, it was accepted that building societies catered for short-term investment and life assurance for the medium- and long-term requirements of investors. But the aim of many investors has tended to become more short-term, and life companies have moved with this lowering of investment sights, so that now they are coming more and more into direct competition for funds with the building societies.

The advent of the guaranteed income bond has heightened the competition. Indeed, at the height of the income boom, more than one life assurance manager claimed to be after exactly that money that was going into building societies. The 1974 Budget stopped massive marketing of guaranteed income bonds, but the concept is still valid today and some life companies are

BONDS

ERIC SHORT

still marketing them. This week City of Westminster Assurance launched its own version of a growth and income bond, and compared its expected performance with that which a building society deposit might be expected to produce.

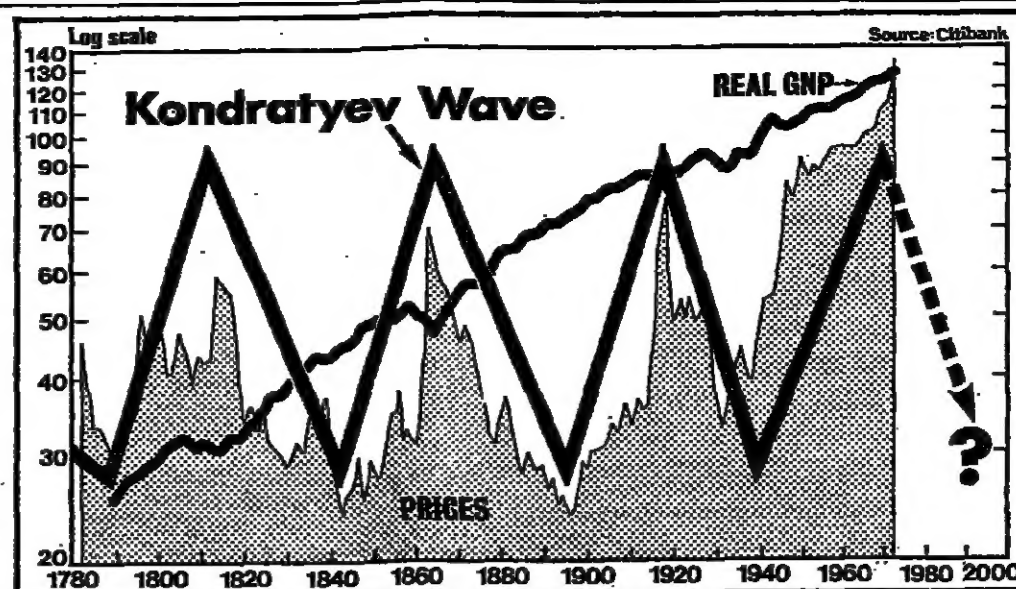
The bond takes the form of a single premium endowment assurance policy with the sum assured equal to the outlay made. This effectively means that the investment will be returned at the end of the period, or on earlier death. But the new feature of this plan, called the Double Plus plan, is that two kinds of bonuses will be declared as well.

The first is the usual form of guaranteed bonus payable half-yearly. The company call it an income bonus and the rate is 2½ per cent per half-year. The company says that these bonuses can be cashed immediately they are declared, at their face value, with no immediate tax liability thanks to the 5 per cent withdrawal rule.

Then comes what is termed a capital bonus, which is an additional bonus added at the end of each policy year (excluding the first year). These bonuses are not guaranteed, and their value will depend on market conditions and investment performance. They will be rolled up, but the policyholder can decide whether to leave them to do so or encash them and invest elsewhere.

The bond can be encashed at any time on demand with no surrender penalty, which is an unusual feature. But the company has checked that this procedure is acceptable to the Department of Trade.

How do the anticipated benefits compare with putting your money into a building society? Very favourably, on the sums provided by the company.



A Phoenix arising offshore



PROVIDING FINANCIAL protection against the risk of premature death has been only one facet of the operations of UK life companies. Another—and an important one—has been to provide a home for investors' long term savings.

But practically all of their efforts so far have been directed at the U.K. investor. When it came to looking for funds from overseas most life companies have been laggardly; and the expatriate investor has been almost completely ignored.

But not quite completely. For this week Phoenix International, a member of the Phoenix Assurance Group, celebrated its first anniversary.

The investment vehicle which Phoenix offers to expatriates is its Managed Dollar Fund, and investors have a choice of three plans—one involving lump sum investment, and the other two regular savings. The lump sum investment plan is the usual single premium bond, with life cover based on a multiple of the bid value of the units which

varies with the age of the investor at the outset.

The first of the regular savings schemes is the 10-plus Plan. This is a normal, unit-linked, regular savings plan with investment in the fund. The death benefit is 120 times the monthly premium, given an entry age of up to 40, and 80 times the monthly premium for ages between 40 and 50. The amount invested in units is 62 per cent in the first year, and 102 per cent subsequently for ages under 40, with slightly lower percentages for higher ages. The minimum premium is \$250 per annum, or \$25 per month.

The term of the plan is 10 years, but investors have the option to continue it for as long as they desire. There are facilities for obtaining income, provided the value of the units is at least \$2,500.

Under the 3+ Plan, the life cover is three times the annual premium and investment is 90 per cent of premiums in the first year and 105 per cent subsequently for ages under 35. At the end of three years there are various options available.

These plans can be taken out without the benefit of life cover, and under this arrangement a higher percentage will be invested in units. But the life cover, also payable in dollars, is an attractive feature of the plans, and the cost is only about 1½ per cent of the outlay.

The underlying fund into which these premiums are put invests in U.S. marketable securities: that is, common stocks, treasury or Government bonds or other fixed interest securities. Two new funds—a sterling exempt gilt fund and a dollar fixed interest fund—are to be launched in the late summer. Timing of the original launch was unfortunate but the unit price has now recovered to its launch level of \$2.40.

Long swings in economic history

THE TABLE on the left shows what has happened to wholesale prices in the U.S. since the early 1780s, and the conclusions drawn therefrom by the Soviet economist Nicolai Kondratyev (also known as Kondratieff and Kondratiev). Kondratyev's theory was that there are 50 year cycles in prices, interest rates and wages, and in business activity, with 20-odd years of expansion and inflation followed, after a decade of ups and downs, by 20 years of deflation and recession. If he was

right then life is going to become very grim in the 1980s. But was he right?

From the time that he formulated it 50 years ago, Kondratyev's theory has come under attack for both the quality of his research and the nature of his conclusions. His fellow Soviet economists naturally took a dim view of any theory which had capitalism doing by slow stages, rather than by the final crisis which Marxist doctrine requires, but they also criticised the paucity of the evidence from which he derived his first "long swing." Later critics have been dubious about his treatment of the evidence from which he derived his second long wave, and indeed about the validity of any theory which rests on the assumption that history will repeat itself—that because there have been long swings before, there will be long swings again.

All the same, there are some curious correlations between the pattern that Kondratyev predicted and events subsequent to the formulation of his theory. Notably there was the great crash of 1929, in the wake of a decade of ups and downs and 20 years of inflation that followed the Second World War (Kondratyev reckoned that the peaks and troughs of his "Wave" were always marked by wars), which has culminated in a decade of dramatic swings between inflation and recession. It's been pointed out, however, that what ever happened to prices during this period, noted States gross domestic product has continued more or less steadily to rise (see the chart); also that there are factors which explain the behaviour of prices more satisfactorily than his mechanical rerun of history.

For example the price rises of the early 1800s, the middle of that century, and the early 1900s can all be traced to attempts to finance the wars of those periods, while the slump of the 1930s, in particular, can be attributed to a mistakenly restrictive monetary policy. The argument against another repeat of Kondratyev's long swing in the closing years of this century, is that such mistakes will not themselves be repeated.

But if Kondratyev's theory remains as controversial now as it was when he formulated it 50 years ago, what are those who do believe that history repeats itself—or those who are merely of a pessimistic turn of mind—to do about the recession that his pattern would suggest is imminent? Find the safest job around. Cut back on commitments—refrain, in particular, from bumping up the mortgage. And, above all, get your money out of equities and into secure, high coupon, long-dated debt. Only don't do it just yet. For if Kondratyev's critics are right, that great recession isn't going to happen.

£8.5 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain American Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the Trust deed; to ensure that the income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Bill proposes that unit trusts will pay tax on capital gains at the privileged rate of only 10%. When you sell units it is proposed that you will receive a tax credit of 10% against Capital Gains Tax. This means that on unit trusts you should have no tax to pay on profits up to £5,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. On sales before 5th April 1979 the tax credit will be even higher if the proposals become law.

CLOSING DATE

Until 2nd June 1978, units will be available at a fixed price of 25.2p each, to give an estimated current gross yield of 1.55% p.a. Your application will not be acknowledged, but you will receive a certificate by 14th July 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

The offer will close if the underlying price of units should differ from the fixed price by more than 2½%. After 2nd June 1978 units will be available at the daily quoted price and yield published in most newspapers.

Chieftain American Units were first offered on 4th April 1977 at 25p each.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 3.8% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-283 3933 for further details of American and other Chieftain Trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report of the fund are made annually on 1st March.

This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., Chieftain House, 11 New Street, London EC4M 4TP. Telephone: 01-283 2632.

The Directors of Chieftain Trust Managers Ltd. are: P. L. Potts, M.A. (Chairman); R. J. D. East, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazell, F.C.I.S.; A. L. F. K. Tod.



CHIEFTAIN
TRUST MANAGERS LIMITED

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further details please ring
01-248 8000 Extn. 266

A Top Performing American Fund

TARGET AMERICAN EAGLE

Highlighting the best performing unit trusts in the various specialist sub-sections in the 1977 *Investors Chronicle* 14th April, 1978 stated:—
"...Target American Eagle, very much against the trend... rose 15.5% in the North American section."

Over the same period the Dow Jones Industrial Average fell 17%.

In July 1977 we announced to unitholders our intention to increase the American content but we held off because of the weakness of Wall Street and the dollar. The correctness of this decision is reflected in the performance compared with funds invested wholly or substantially in America over the past year.

During 1978 we have increased the U.S. content from 48% to 75%, taking advantage of the lower share prices and also because we felt that the period of relative strength of the pound against the dollar was at an end. It is our intention to increase the U.S. content still further but timing remains of the utmost importance and we shall continue to use our discretion in this respect.

The aim of the Fund is to achieve longer term capital appreciation and we believe that the case for investing a part of your capital in North America with such an aim in mind is now very strong. Share prices, in terms of the established yardsticks are historically cheap. U.S. inflation rates are low in global terms and America is after all the largest and most advanced economy in the world.

Remember the price of units and the income from them can go down as well as up.

Your investment should be regarded as long term.

OFFER OF UNITS AT 29.3p EACH UNTIL 2nd JUNE 1978

current estimated gross annual yield 1-30%

TARGET TRUST MANAGERS (SCOTLAND) LTD. (Incorporated in Scotland), TARGET HOUSE, GATHOUSE ROAD, AYLESBURY, BUCKS HP8 5BB

I/We wish to invest £ in Target American Eagle Fund units at 29.3p each (minimum initial investment £500) and receive a cheque made payable to Target Trust Managers (Scotland) Ltd.

I/We declare that I/We are not resident outside the United Kingdom and I/We are not acquiring the units in connection with the exercise of any option (or options) under a contract (or contracts) for the subscription of shares in a company (or companies) which is (are) not a subsidiary (or subsidiaries) of the company (or companies) in which the units are being offered.

Just applicants must sign and attach names and addresses separately.

Signature (s) _____ Date _____

Names (in full (Mr, Mrs, Miss)) _____

Address _____

Do you have details of Target's monthly savings schemes? ☐ Share Exchange Scheme ☐ Do you already hold Target units? ☐ YES/NO ☐

Total funds under management in the Target Group £126,000,000

Chieftain American Trust is a unit trust through which you can have your money invested in North America in a professionally managed selection of shares.

If long-term capital growth is your aim then we believe that the American economy—and with it the Chieftain American Trust—represents a most attractive investment.

A RICH AND RESILIENT ECONOMY

As many investors have been told by professional advisers, it is a sensible idea to invest at least part of your portfolio in America.

The wisdom of this advice quickly becomes apparent when one considers the facts which present themselves about the American economy.

It has fought through the difficulties of the world recession, by which it was anyway less affected than some other countries.

In 1977, the nation's output grew by an estimated 4.7%, and company profits by around 11½%. Current forecasts of real growth for 1978 are of the order of 4% with a further 10% rise in corporate profits.

Furthermore, the sheer size, scope and sophistication of the American stock exchange provide the opportunity to invest in a wide range of highly marketable stocks.

In short, the American economy is rich and resilient, founded as it is on the notions of free enterprise and unshaken creation of profits and prosperity, and long-term prospects for its growth look encouraging.

A TIMELY INVESTMENT

There has been a sharp upturn in American share prices in the past two months. This rally has been stimulated by solid increases in industrial production and company profits. In addition there have been indications of firm action by the Federal Reserve Bank in the fight against inflation, reversing the decline in the value of the dollar.

Nevertheless, the Dow Jones Industrial Average is still 9.7% below its level in April 1977 when Chieftain American Trust was launched. (The price of Chieftain American units, however, has grown by 0.8%.)

On a historic basis, American share prices are still cheap in relation to current earnings. Economic growth in 1978 may well be slow by past American standards, but we believe that there are no signs whatsoever of the sort of recession which alone could justify the still low level of today's share prices.

However, we should like to emphasise that Chieftain American Trust should not be regarded as a short-term speculative investment. The prices of stocks and shares rise and fall, and the price of Chieftain American units will fluctuate accordingly.

Income will be paid annually but those who require principally a high dividend yield rather than capital growth are advised not to consider this Trust.

PORTFOLIO STRATEGY

The portfolio contains about forty stocks, and will continue to be reasonably concentrated. The Managers have not confined themselves to the better known companies but have researched and purchased second-line stocks with attractive prospects.

Currently the portfolio has a particular bias towards companies in the energy sector. However, the emphasis will be shifted as conditions demand. Some Canadian stocks have also been purchased.

A COMPLICATED INVESTMENT MADE SIMPLE

Transatlantic investment has very obvious attractions, but a private individual, investing alone, would need formidable resources of capital, information and investment currency to achieve his objectives.

However, Chieftain American Trust takes the problem off the investor's hands. Your capital can be simply and efficiently invested in shares throughout the American market by full-time investment professionals.

Moreover, a trust has one facility not normally open to the private investor, that of the back-to-back currency loan, an alternative to purchasing investment currency through the dollar premium. At present, approximately 60% of the Trust's portfolio is invested in this way.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chieftain American Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976. Its four trusts, dealing in overseas as well as U.K. markets, have already attracted funds worth over

APPLICATION FORM

Fill in the coupon and send it now to: Chieftain Trust Managers Limited, Chieftain House, 11 New Street, London EC4M 4TP.

I/We would like to buy Chieftain American Units to the value of £ at 29.3p each.

(Minimum initial holding: £250)

I/We enclose a remittance, payable to Chieftain Trust Managers Limited.

Tick box ☐ If you want maximum growth by automatic re-investment of net income.

☐ If you want to know how to buy Chieftain American Units on a regular monthly basis.

☐ If you would like details of our Share Exchange Plan.

I/We declare that I am/We are over 18 and not resident outside the U.K. or Scheduled Territories and that I am/We are not acquiring the units as nominee(s) of any person(s) resident outside the U.K. or Scheduled Territories. (If you are unable to sign this declaration it should be signed and your application lodged through an authorised depositary.)

SUBNAME (MR, MRS, MISS) _____

FIRST NAME(S) IN FULL _____

ADDRESS _____

SIGNATURE(S) _____

(If there are joint applicants all must sign and attach names and addresses separately)

(Regd office as above, Regd No. 740182)

MOTORING

Through thick and thin

BY STUART MARSHALL

BRITISH PETROL, for at least a year the cheapest in Europe, has become cheaper still in the last few weeks. Feverish price cutting and the virtual disappearance of Green Shield stamps from the filling stations has seen to that.

In the London area, four stars at between 72 and 74p is the norm. Plenty of stations go below that—like the cash-only pump in Beckenham with a 71.5p sign. In Wolverhampton on Monday I filled the tank of the Datsun 280C I had on test with two stars at 69p (Barclay-cards welcome, it said at the big self-service station) and four stars was widely available at 70p.

This week, there has been a lot of fuss and bother in the media about BP's alleged intention to close down 500 mainly rural petrol stations. The story is antique.

For years, BP has been saying that if motorists want to buy their petrol at supermarket-type discount prices, they will end up with nothing but supermarket-type petrol stations. Petrol marketing economics simply will not permit the present number of filling stations, some of them the motoring equivalents of the little corner shop, to survive.

There is no question of 500 BP stations being closed in the immediate future. They will disappear slowly but inexorably over the next five years, just as little grocery shops with counter service did when the self-service trend began. All the major oil companies are in exactly the same boat as BP. None is making any profit from petrol retailing at present.

By the mid-1980s, if the trend continues, we could find ourselves with perhaps 60 per cent of the present 30,000 petrol retailing outlets. If we want cheap petrol—and who doesn't?—we shall have to get used to the idea of driving a couple of miles to tank up at a big self-service station. We won't be able to buy two or three gallons at a time from old Fred's garage just round the block because Fred won't be selling petrol any more.

With petrol so cheap and incomes said to be running ahead of the cost of living again (or so one is assured though I haven't noticed it myself) less is being heard about the need to

Petrol marketing economics simply will not permit the present number of filling stations, some of them the motoring equivalents of the little corner shop, to survive

on its performance in due course.

But changing one's oil is easier than changing one's car. To see how a very thin lubricant affects fuel consumption, I took my Marina 1.3 estate to a garage on Tuesday. A BP technician attached an electronic flow meter to measure fuel consumption accurately and a member of the garage staff drove the car round a 15.1 mile test route at a normal, sensible speed. The consumption was 31.2 mpg for the first ten miles, 33 mpg overall.

Next, the engine was tuned and the pump drained and filled with 20/50 oil. This is the grade that outsells all others by a huge margin in Britain. This time the Marina did 32.6 mpg for the first ten miles (4.5 per cent better) and 35.1 mpg for the whole course (a 6.4 per cent improvement).

Finally, the 20/50 was drained and replaced by BP's LVO (for light viscosity oil). The results were 34.8 mpg for the first ten miles (6.8 per cent better) and 36.3 mpg (4.5 per cent better) for the 15.1 mile circuit. Cumulative improvement was 11.5 per cent for both ten mile stages and the

full distance which by any standards is a worth-while saving.

A five-litre can of BP's LVO is about 50p dearer than their 20/50 grade and, it has to be admitted, nearly £1 more than many of the 60 or so "own brand" 20/50 oils available in supermarkets and motorist's shops.

At present, BP is the only company selling a LVO in Britain but others are thought to be on the brink of entering the market. They save fuel because their thinner when cold reduces oil drag, which consumes quite a lot of power while the engine is getting up to running temperature. The more a car is cold started and run for short distances with a half-warm engine, the greater the potential savings from LVO.

Its use is approved by all major car makers except British Leyland. Ford engines are designed around it though, curiously, Ford's own brand oil is a 20/50 simply because this is the grade that at present accounts for 95 per cent of sales. BP has been pioneering the LVO market. The way of all pioneers is hard.

Many motorists still equate cold thickness with an oil's ability to protect the engine's moving parts at high temperatures. The fact is that a LVO of 10/30 grade and an ordinary 20/50 oil are indistinguishable when hot.

The contents of the 5-litre-can one buys consist of 4 litres of oil and 1 litre of additives—and it is the chemical additives that ensure the engine is properly protected at running temperatures. The oil's function is to carry them; and very good lubricants are now being made, though not for cars, without any oil in them at all.

BP calculate that if all British cars ran on LVO lubricants, 1m gallons of petrol would be saved every day. That is the theory; how much it saves me in my Marina I will report in due course.

BRIDGE

E. P. C. COTTER

MY FIRST hand today illustrates a form of trump management which I have described more than once, but as it seems to be a blind spot even with good players, I make no apology for giving one more example, which occurred in a better than average rubber:

N	E
♠ 6 4 2	♠ Q J 8
♥ Q 6 4	♥ K 8 5 3
♦ 8 5 3	♦ J 10 9 2
♣ A K J 4	♣ 10 2

W	E
♠ 10	♠ Q J 8
♥ J 10 9 7 2	♥ K 8 5 3
♦ A Q 6	♦ J 10 9 2
♣ 8 7 6 3	♣ 10 2

S	N
♠ A K 9 7 5 3	♠ Q J 8
♥ Q 7 4	♥ K 8 5 3
♦ K 7 4	♦ J 10 9 2
♣ Q 9 5	♣ 10 2

South dealt at game to East-West and bid one spade, North said two clubs, South rebid three spades, and North raised to four.

West led the Knave of hearts,

Time to put the sport in order

THE ABSENCE of Gary Player Classic at Pinehurst, as well as from the Colgate PGA championship which started in beautiful weather at Royal Birkdale golf club, Southport, yesterday, emphasises the drastic need for the formation of an international body to sort out the Oosterhuis and other released players to play here this week. But there can be no arguing with the fact that this is the poorest field in the event's notable four-year history.

Of course Player is not the only international class golfer missing from the line up here, despite being invited for the third year in succession by the Atlanta people and later with Deane Beman, Commissioner of the PGA tour, for Player's release, but to no avail. Eventually Foster told Player, who did not want to play there, that he would rather see the South African play in Atlanta than exercise his option not to play at all this week.

But it is no secret that Mr. Foster is bitterly upset with Beman's refusal to influence the Atlanta sponsors and also for being refused permission to play at Royal Birkdale by the 50-strong group of businessmen who run the Atlanta classic which, for the second year running, clashes directly with the prestigious £50,000 Colgate Championship.

So Colgate, which is a major benefactor of men's professional golf in the U.S., where it sponsors the \$150,000 Hall of Fame

sponsors in being frightened by the possible consequences. At present, for instance, golfers in the U.S. have to be released to play elsewhere by tournament sponsors, with Beman the ultimate arbiter. But Foster believes that in 1979 it will be Beman alone who decides

GOLF

BEN WRIGHT

which PGA tour members will be released, and that there will be mighty few allowed to travel abroad.

The Colgate chairman told me yesterday afternoon that he was frankly amazed when Spain's Seve Ballesteros, the favourite here, was offered a player's card for the U.S. by Mr. Beman without having to attend the qualifying school, while the vast majority of experienced Australian, Graham Marsh, was forced to go through that tiresome, nerve-racking ordeal. Foster's fear is that if Ballesteros does go to the U.S. next season, Beman will have virtual control of the European circuit.

It is also no secret that when that marvellous man-about-town, Fred Corcoran, died suddenly

SPONSORSHIP

BY TREVOR BAILEY

DESPITE NUMEROUS fundraising schemes, sport, in an era of largely declining gates and ever increasing costs, has never had sufficient money to go round. In recent years new benefactors have arrived in the shape of commercial sponsors. Usually in partnership with television, they have come to the rescue and, in the case of first class cricket, have been a salvation.

Initially, governing bodies were inclined to regard the newcomers with distrust, dislike and distaste. They were greedy for their cash, but often failed to give the sponsor value for money, overlooking the fact that the majority of large companies are not philanthropists and expect a return on what they invest. Only recently a sporting administrator was full of praise for a firm whose sponsorship was so low key that few realised it existed, but that is hardly the object of the exercise.

Although there are many selected major televised events from six different sports: the World Cup, the Derby, the ship of an event, competition, Tests, the world swimming

or series; sponsorship of an individual, club, team, or league; sponsorship for training and coaching schemes and sponsorship as an entertainment and hospitality exercise.

This week saw the launch of British-American Tobacco's State Express Challenge, which is really a new variation of an old promotional idea, awarding money for a specific achievement in an established event—the hole in one, goals scored in a season, or the fastest 100.

State Express has carefully selected major televised events from six different sports: the World Cup, the Derby, the ship of an event, competition, Tests, the world swimming

last summer, Beman suggested to Foster that the PGA tour should take over running the World Cup. There is no doubt that the PGA tour has both staff and expertise to do so very well indeed. The question is whether it is beneficial for so much of golf to be controlled by so few. By virtue of their own weakness, too many of the so-called governing bodies in golf have let their powers be eroded by agents and other purely commercial interests. This is why there is such an urgent need for a co-ordinated effort among sponsors and others like Beman to sort out their differences now.

One appreciates the pressures Mr. Beman is under from those of his members who would love to see the U.S. circuit reserved strictly for Americans. But if these short-sighted isolationists ever got their way there is little doubt that other countries would retaliate. As ever, the public would be the only losers.

It is disturbing to see Mr. Beman schedule a sponsored tournament as he has done this year in direct opposition to the U.S. Open championship, William F. Lane, who now runs the U.S. Masters, has already turned down Beman's appeal for automatic qualification for Augusta for the top 20 players in the "Tournament Players' Championship, his brain child the Commissioner would love to see achieve the status of a fifth major event. Mr. Beman was also refused permission to have any say in the choice of foreign golfers invited to the Masters. Despite Beman's assertions to the contrary, Lane fears that the Commissioner's next move logically will be to schedule another big tournament to clash directly with the Masters.

Foster apparently infuriated Mr. Beman earlier in the year by signing up Arnold Palmer for a televised hole-in-one promotion during play in the \$300,000 Colgate-Dinah Shore Winner's Circle women's professional tournament. Palmer did not apply for, nor would he have received, permission from Beman to appear at Palm Springs and it is now rumoured that the great man faces a fine, suspension or both.

When Beman asked Colgate to cut the ten foreign invitations for the Hall of Fame Classic to five, Foster threatened to tear up the contract for the tournament. Now Colgate has been deprived of a top class field here at Southport it is obviously the right time—and not a moment too soon—for sponsors to get together with golf's governing bodies the world over to put the sport's house in order before it collapses like a pack of cards.

on radio and television and editorial in the Press. It fits in very well with its aggressive 55m advertising and price-cutting campaign and indicates a major drive for a good share of the market before a possible clamp down on cigarette advertising in Britain.

Whether sport, with its emphasis on good health, should actively support the planned publicising of cigarettes for money is an interesting ethical point. Cricket, tennis and horse racing have been doing this for years, arguing that the cash in their coffers has more than justified the means, but whether this argument applies equally to athletics and swimming is at least questionable.

It is easy to appreciate why the officials of these two sports are prepared to adopt a grey attitude which condemns smoking on the one hand while accepting money from it with a return. It hopes that its sponsorship, apart from good-will, will create talking points

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CHESS

LEONARD BARDEN

ALL THE attention focused on rising chess players in their teens and twenties makes any chess player over 30 feel sometimes that he is living on borrowed time. A tournament success which, at 30, is considered as a promising augury of a budding Fischer, makes little impact when achieved by an older player.

In fact, the majority of chess masters—and by implication all tournament and match players—remain close to their peak up to their late forties and not far off it until their late fifties.

Three of the old British masters were remarkable for their longevity. Blackburne beat Lasker, then world champion, and theoretician, and provoked the comment "Der alte gamit hat mir geschwindelt."

Amos Burn, by profession a cotton broker, began his serious chess career in his middle thirties and scored his best result, first prize at Cologne 1898, at age 69. More recently, Sir George Thomas only took up international chess seriously after establishing himself as one of the world's leading badminton players; and his greatest success, first equal at Hastings 1934-35 ahead of Capablanca and Borovnik, came at 53.

Motivation is a key to a long chess life. Near misses in a major championship can stimulate a player's appetite for ultimate success and keep him striving for honours long after others have lost their ambition. The disappearance from active chess of Fischer and the decline in form of Spassky contrast with how the late Paul Keres and now Korchnoi continued to hone their

game and try for the world title in their late forties.

The most highly motivated veteran of all is Samuel Reshevsky, the former U.S. champion and one-time boy prodigy, who for years believed it his destiny to capture the world championship. During Reshevsky's best playing years in the mid-1950s he qualified for the Candidates tournament to be beaten partly by weight of numbers of USSR opponents; and he actually won a short four-game series against Botvinnik in a USSR-USA match but could not get a title chance outside the official system.

Reshevsky is now nearing 70, but he retains splendid fighting qualities even in the strongest tournaments. Recently he was among the leaders in Lone Pine for several rounds, and when the U.S. total competition for the 1978-81 world championship series takes place later this year, he is sure to be there making yet another attempt at a place in the interzonal. Quite possibly he still cherishes a secret belief that he could beat Karpov in a match.

This week's game is typical Reshevsky: an unpretentious opening, but a quick understanding of how the white queen and knight can combine to attack weak squares in his opponent's position.

White: S. Reshevsky (U.S.). Black: S. Kagan (Israel). Opening: King's Indian by transposition (Netafya 1971).

1. P-Q4, N-K3, B-N2, P-K3; 2. P-K3, B-N2, 4. B-N2, 0-0; 5. N-K3, P-Q3; 6. P-Q4, B-Q2. The simplest for Black here is 1... P-Q4; 7. P-Q4, R-Q4; 8. P-Q4, R-Q4; 9. P-Q4, R-Q4; 10. P-Q4, R-Q4; 11. P-Q4, R-Q4; 12. P-Q4, R-Q4; 13. P-Q4, R-Q4; 14. N-N3, B-N3; 15. Q-B1.

Exchange of the dark squared bishops enables the white queen and knight to combine with tactical threats against K7 and K8.

15... Q-Q1; 16. P-K4, B-B2; 17. QxR, P-B3; 18. Q-Q1, R-B2; 19. P-Q4, P-Q3; 20. P-Q4,

Blackwood. The response of five spades was cheering, and South bid six spades.

West led the diamond Queen, won with dummy's Ace, and the declarer at once ruffed a diamond high in his own hand. Crossing to the table, he ruffed another diamond high, went again to dummy, and ruffed the last diamond.

Now he led a low club, intending to finesse dummy's seven. This would endplay East and force a return that would yield the twelfth trick. West, however, was too experienced a player to be caught like that—he put up his ten of clubs.

Unperturbed, the declarer won with the King, and returned to hand with a trump. The fall of East's diamond King had shown that the trump on the table was no longer needed, as the endplay did not include the ruff discard element.

A second club was led. This time West could only follow with the two, and the seven was finessed. East had to win, and either a heart or a club return gave South his slam contract.

North dealt with both sides vulnerable and opened the bidding with one no trump, to which South replied with three spades. With a short four-game series against Botvinnik in a USSR-USA match but could not get a title chance outside the official system.

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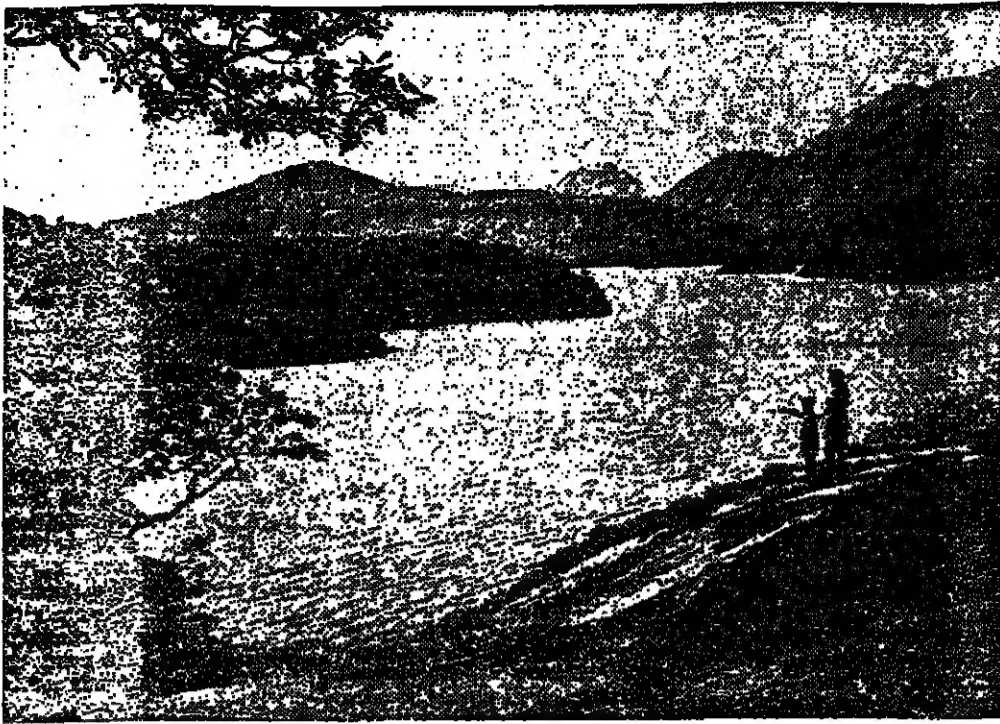
TRAVEL

And America is over there

BY PAUL MARTIN

WHEN YOU stand on Slea Head, Ireland's most westerly point, and gaze out beyond the now deserted Blasket Islands, there really is nothing between you and America. The great Atlantic rollers crash in at the foot of the massive cliffs, spouting and spuming over the rocks in a never ceasing witches' cauldron.

Although I have visited Ireland fairly frequently this was the first time I had managed to get out to the Dingle peninsula on the jagged west coast of that lovely island. Crossing over to Cork on the B and I night sailing from Swanage for the last time — the terminal move to Milford Haven next year — a pleasant drive, partly following the River Lee, brings you in to Dingle town, an attractive huddle of houses built around the small, sheltered harbour where blue



Upperlake, Killarney Co. Kerry

IRELAND

PAUL MARTIN

fishermen's boats rock gently at anchor.

Dingle, surrounded on three sides by hills, makes a good base from which to tour the area. Distances are not great and, if your time is short, you can explore most of it in a long weekend. Stay a bit longer and you can take advantage of the fishing, riding or golf and, during the summer, the small rocky coves and the superb stretches of sandy beaches, always marked as 'strands'.

I went to Dingle over a history and road-siden Easter and the coastal log and post-dates in the very comfortable and attractive modern Seelie Hotel were all the more welcome. As the locals are frequent the bar, there was little need to look for additional entertainment — get three or four Irishmen together and the talk and laughter flow. So go to Dingle and see the sights. There are also some singing parties in the town, a short walk from the hotel.

The Seelie, with an open-air heated swimming pool and tennis courts, is open from March to mid-December with a 'beehive' domestication from £82.95. They really do cater for

families with generous discounts for children who have their own supper time and high chairs and cots are provided for the tots.

A truly spectacular road from Dingle takes you over the Glenties Pass, with a view of the Paternoster Lakes, and then drops down to the coast, skirting the great bays of Brandon and Tralee with miles of sandy strands, before continuing to Tralee, the 'capital' of the area.

Tralee is a bustling, thriving town which provides all types of accommodation for holiday-makers. A charming rose garden and a small memorial in the town park commemorate William Mulholland, the composer of the famous 'Rose of Tralee', who died in the town in 1864.

The south road from Tralee, through Castlemaine and back to Dingle, hugs the shore of the bay and dedicated riders of the rollers come from all over Ireland to inch, where over Atlantic breakers pile up far out in the bay and then sweep in to the sandy shore in long unbroken rollers.

The western part of the peninsula is an archeologist's paradise with promontory forts, ocellan stones and a wealth of dolmens or 'beehive' houses. These ancient inhabitants were

masters of dry stone building and the best preserved example is St. Brendan's oratory at Gallarus, difficult to find if they have not cut the fuchsia hedge which hides it from the road or if the sign has blown down! Even so it is worth trying to follow the valuable and often conflicting directions received en route.

There are also still some wood and hide boats about, similar to that built and sailed by Tim Severin on his remarkable voyage to prove that the intrepid sailor-monk, St. Brendan, could have discovered America long before Erik the Red or Christopher Columbus.

An entire model village, complete with church, pub, school, shops and houses was built near Ventry, along the coast, for the filming of 'Ryan's Daughter' but it has since been demolished and sheep now graze where the never-never village of Killybegs once stood.

During the summer in good weather, there are frequent boat trips from the little jetty at Dunquin out to the Blaskets, those enchanted islands immortalised by O'Sullivan in his book 'Twenty Years Ago-Coming'. Inquire at the Kruger Kavanagh bar which doubles as a village shop and pub. The round trip costs about £2.50 and,

"IT'S PAT'S birthday on Sunday week" said Peter. "We'll be away" we said "but never mind, come to lunch with us in France." And they did. They drove to Dover, parked, and caught a mid-day Hovercraft to Boulogne. We met them and drove to a secret anberge (just that little different to a pub) and had a glorious French Sunday lunch of the type that ends about three-thirty. They caught a Hovercraft home at about six.

And it is a sort of secret hinterland, behind Boulogne. The majority of UK travellers probably hit the town and then start hurrying south or to Paris while those coming the other way are making fast for a particular ferry. But a nice gentle drive up or down the coast or into the country for twenty or thirty miles with a long weekend or a week in view, especially in the spring, will demonstrate that this particular patch of France has masses to offer, including Boulogne itself.

There is pottery at Desvres, there is one of the best restaurants in North France at Wimereux, there is the walled town of Montreuil with its famous chateau and there are miles of beaches including those at Le Touquet.

Michelin map No. 51, a copy of the Michelin Red Guide and fearless determination to explore what I call the white roads — they are white on the map — have never failed to give us enormous, if quiet, pleasure.

An additional aid for travellers is "Bon appetit on the Opal Coast" by Victor Wear which has just been published by Time Out. In no sense does the booklet set out to be definitive or to classify the restaurants — it is purely "one adventurer's" personal experiences.

"Basically the idea of the book was to compile a list of out-of-the-way country places normally frequented by the French, within a distance of some 40 kilometres east and south of Boulogne." The white roads are fine for seeing the rural life which "cannot have changed much over the past 100 years" but "avoid the dotted or half-dotted lines unless you've brought a Land Rover."

Argoules is one of the out-of-the-way places. Going south from Montreuil on the N1 to Nampont you turn left immediately after crossing the Authie River on to the D182. This is an enchanting valley and you come to the pretty village in which stands the Gros Tillieu, the big lime tree in front of the alberge of the same name. (There are rooms in most

Secrets around Boulogne



The Gros Tillieu, in both senses, at Argoules.

the inns in the area). "Had the weekday FFR 34 menu with terrine, le saucisson chaud, l'andouillette au whisky, les triques maison and the inevitable tarte. Really smashing. Washed down with carafe wine and a good coffee. Cost was Fr 43 and you can't get

is Cucc where at Chez Claudine which is delicious, light, delli-the specialties are seafood cote and mysteriously herbed and guinea fowl cooked in port. and I've never seen a recipe Etaples has an excellent market for it.

Further north near Wissant useful if you want to bring your own cheeses and other foods home with you. It also has a Hotel du Lion d'Argent, an old coaching inn on the attractive which housed the big guns and although it looks attractive during the day. Don't let this put you off."

The Valley of the Course runs and choice it is essential to roughly from Desvres towards Montreuil and is dotted with villages and farms (and some of new buildings) and a troutery. Virtually every village has an auberge with a restaurant that is well worth eating in. The walks afterwards are enchanting as well as necessary if you care for your waistline. There is also a local game of skittles, us to Zerbales in the Course Field Marshal Rommel made valley. It is signposted and the track leads down to the chateau at Montreuil his cluster of farm buildings and it is just the place to visit if you have that understanding bank manager. The a la carte menu "is not extensive but is expensive. A very well balanced menu including such specialties as duck pate, lobster omelette and sea bass."

There is no merit in going to the Hotel Atlantic in Wimereux unless you are prepared to have a well-filled wallet considerably lightened. It is not just that it is expensive — it is also superb so there is no point in spilling the ship for a ha'porth of tar. There is a sort of fish terrine

Further inquiries: Time Out, 2a, Chester Close, Chester Street, SW1.

FRANCE

PAMELA JUDGE

much better than that. Service was OK — I don't remember too much after the end of the meal as Mr. Bony is an excellent host and I don't recollect the volume of Armagnac." Mr. Wear does not mention, perhaps because of Mr. Bony's blandishments, the bay of the Authie which is huge, wild and harbours heaven alone knows how many species of birds.

"Beussant is in the valley of the Course on the D127 Montreuil to Desvres road. The restaurant 'Provin-Debove' is almost impossible to find. True, but you must book a good idea nearly everywhere around since the food is smashing in a low cuisine manner."

Also tucked away is the Auberge de la Foret in the haphazard village of Comettes, about ten kms south of Boulogne. The beaches at Harellet and Equihen are quite near but Comettes has a lake which "is a sort of children's paradise — slides and swings and climbing frames." Also there's a rather exotic ruined chateau — the Chateau Harellet. About 5 kms south of Etaples

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The British style at Chelsea

THE BRITISH style at Chelsea

THE CHELSEA Flower Show, held this past week, has been an unqualified success, even the weather relighting and the sun shining warmly on the usual eager crowds of visitors. It was an interesting show, providing a striking contrast between the British and European approach to exhibiting. In this country the emphasis has always been on individual plants displayed for their beauty, or rarity or even sometimes, one must confess, for little more than their botanical interest. In Europe this kind of thing has never cut any ice and flower shows have always been conceived as breathtaking spectacles at which the public was expected to gaze in admiration but never stop and place an order.

The Dutch Flower Growers Association displayed the system to perfection, creating the tallest as well as one of the largest exhibits in the show, with elegantly arranged stands of flowers towering almost to the ridge of the great marquee which was further extended this year to accommodate a few more of the waiting list of would-be exhibitors. Here were some of the finest gerberas to be found in Europe together with lovely lilies, superlative begonias, carnations and orchids but never a catalogue in sight nor any attendant to hint where any of these treasures might be obtained.

It is utterly different with the British exhibits whether they are vast and slightly bewildering displays such as those of Wilhelms of Winchester or Notcutts of Woodbridge or the much more modest and comprehensible arrangements from small nurseries with their own

specialties such as Beth Chitto ("Unusual Plants" is the name she has chosen to trade under), Southdown Nurseries, with their entry to some of the best Cornish collections, Ramparts Nurseries, better known to most gardeners under the name of its founder, a pioneer of grey and silver plants, Mrs. Desmond Underwood who sadly died a few weeks ago, W. E. T. Ingwersen, the alpine plant

specialists, Thomas Carlile with hardy perennials and Fibrex Nurseries. What would we do without them and their fascinating specialties. Fibrex have succeeded in amassing a collection of ornamental ivies which surely must be the most comprehensive since Shirley Hibberd wrote his definitive work on the genus a century ago. This firm is also resurrecting a lot of the delightful hardy ferns which were fashionable in Shirley Hibberd's day and had almost disappeared except, perhaps, from the private collections of members of the British Pteridological Society who have never appeared particularly eager to initiate others into the mysteries of their cult. I am delighted to see hardy ferns readily available again for there are no better foliage plants for shady places.

If warmth and dryness, rather than shade, are your problems

the New Zealand flaxes might well provide some part of the solution. The ordinary species, *Phormium tenax*, makes tall fans of stiff, sword shaped, green leaves which are very handsome. For as long as I can remember there have been three variations on this, one named *Atropurpureum*, with purplish bronze leaves, another *Variegatum*, in which the green leaves are streaked with cream, and the third, named *Vetula* which always more difficult to purchase, in which the variegation is soft yellow. At that point our breeders seem to have rested but not the New Zealand nurserymen who have gone on raising more and more varieties, some of them quite short plants, some with almost beetroot red leaves or, like *Sundowner*, which won an Award of Merit at Chelsea with olive green leaves flushed with the colour of crushed strawberries. There are some lovely plants among these and Bressingham Nurseries are making something of a specialty of them but they are not exclusive to this firm since young plants can be freely imported by air from New Zealand and several nurseries are taking advantage of this facility.

Roses were uncommonly good this year, all of course, grown under glass since Chelsea comes too early for roses to be cut from the open, but nonetheless welcome as a preview of what is to come. Though not exactly new, since it was introduced by Charles de Gaulle before I thought it a very fine rose if you like the blue-lilac colour in bloom, a big almost globular bloom full of perfume. Another

How to handicap a whole nation

STARTLING research reports

STARTLING research reports appeared not long ago saying one in every three British children is "disadvantaged." The same night I discussed the reports with a graduate teacher who had just cooked a fine dinner, her graduate Old Etonian teacher husband, and a graduate research worker.

We discovered that, by the reports' criteria, we had all been disadvantaged children. "If we were born again now," said the Old Etonian pouring a second round of brandy, "the State would never abandon us to a fate like this."

The incident was recalled by this week's report on the Warnock Committee's four-year inquiry into the education of handicapped youngsters. It asserts that the share of the school-age public ill fitted for standard education is not one in every 50 as allowed for in

covered until the child was at school, there would be a five-stage diagnostic process. If the difficulty could be overcome by the normal teachers, all well and good. But if it persisted, the successive stages would bring additional specialists winging in from the medical, psychological, and social work laboratories until, at the fifth "multi-professional" stage, they would all be perched there together like so many owls.

Any parents' dislike of their offspring's being subjected to such an inquisition would not be allowed to hamper the proceedings. Local education authorities would be empowered to "require the multi-professional assessment of children of any age."

The proposed new approach looks attractive. But the committee's advocacy of further legal transfer of parental prerogatives to enclaves of specialists must be based on far stronger faith than I have in existing behavioural science, and also on a certain nonchalance towards democratic principles.

Moreover, many emotional and social disorders might disappear if education would offer a curriculum for the roughly 80 per cent of youngsters whose less-congenitive intelligences and extrovert personalities are not engaged by the present overwhelmingly academic character of schooling. Perhaps the worst educational handicap is the educator's blindness to the evidence that they have no product suitable for four out of every five of their impressed customers.

Also, what is the practical point of officially abolishing the distinction between forms of disability? It is not in the mind, but in cold fact that there exists a difference between afflictions such as brain damage and hindrances such as dyslexia. Afflictions have consequences that cannot be largely overcome by old-fashioned guts and application coupled with the support of lay people. But hindrances can. To suggest that there is no essential difference is surely at once to demean the struggles of the severely handicapped while providing the incentive to bewail their birth instead of striving to help themselves.

So, although some sound suggestions are sprinkled among the Warnock Report's 416 pages, I feel that in general it borders on an officious prescription for national hypochondria.

CAREERS

MICHAEL DIXON

the country's special schools. The committee's estimate is one in every five.

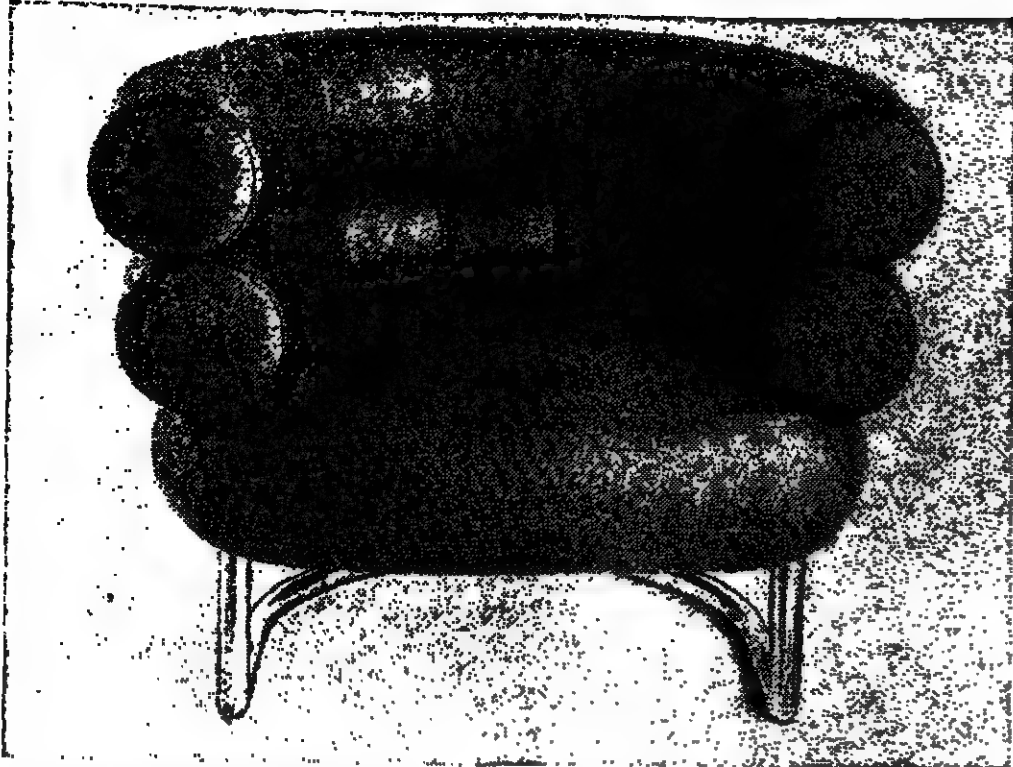
So it seems that the number of children who must officially be assigned to be handicapped, has suddenly been multiplied by ten. But Mrs. Mary Warnock, an Oxford don, and her 24 colleagues don't like the term "handicapped." They want it statutorily abolished. Instead, all children with disabilities which hamper education — ranging between mental deficiency and emotional aversion to the classroom — must be designated "children with special educational needs."

Nor should the country any longer approach disability by making provision for certain afflictions like business or epilepsy, and assigning unfortunate youngsters almost as specimens to the facility most suited to their case. Instead, we must begin with the particular child, subjecting it to a careful diagnosis from which to prescribe the appropriate treatment. This would be supplied in normal schools where feasible, but otherwise in separate institutions.

Accordingly the report conjures up an elaboration of procedures for early detection and care of "learning problems." Where these were not dis-

HOW TO SPEND IT

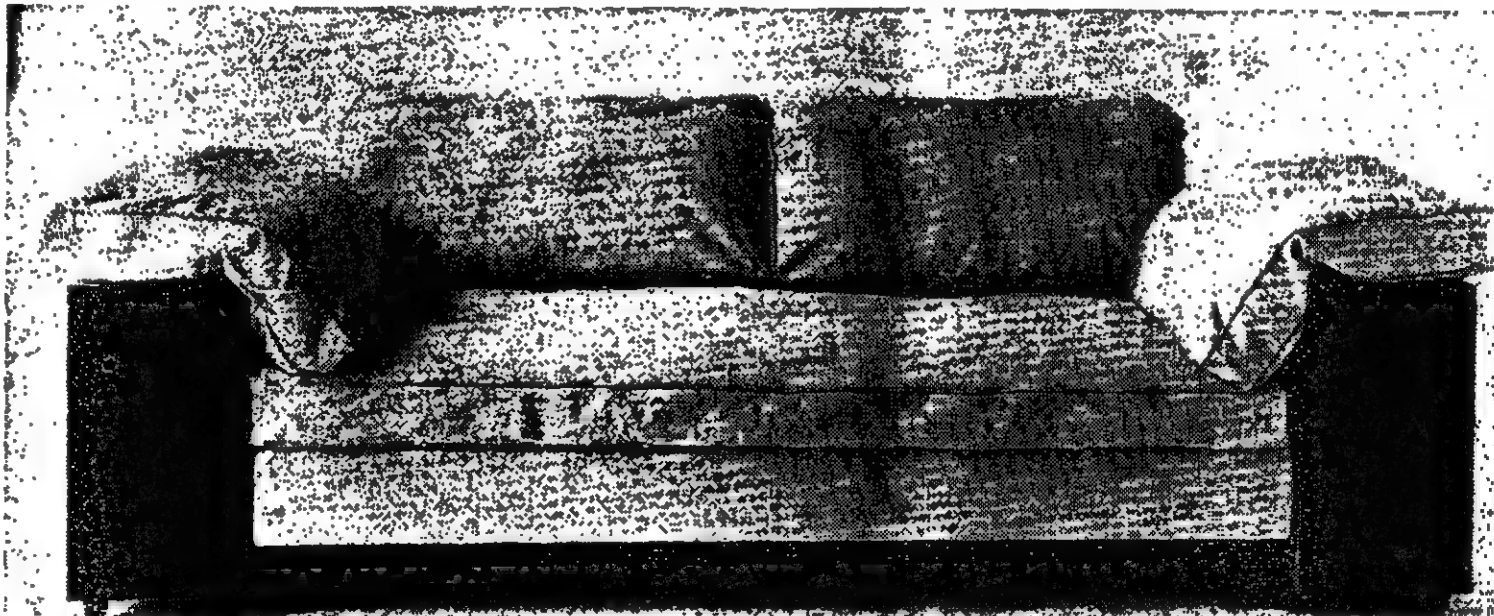
by Lucia van der Post



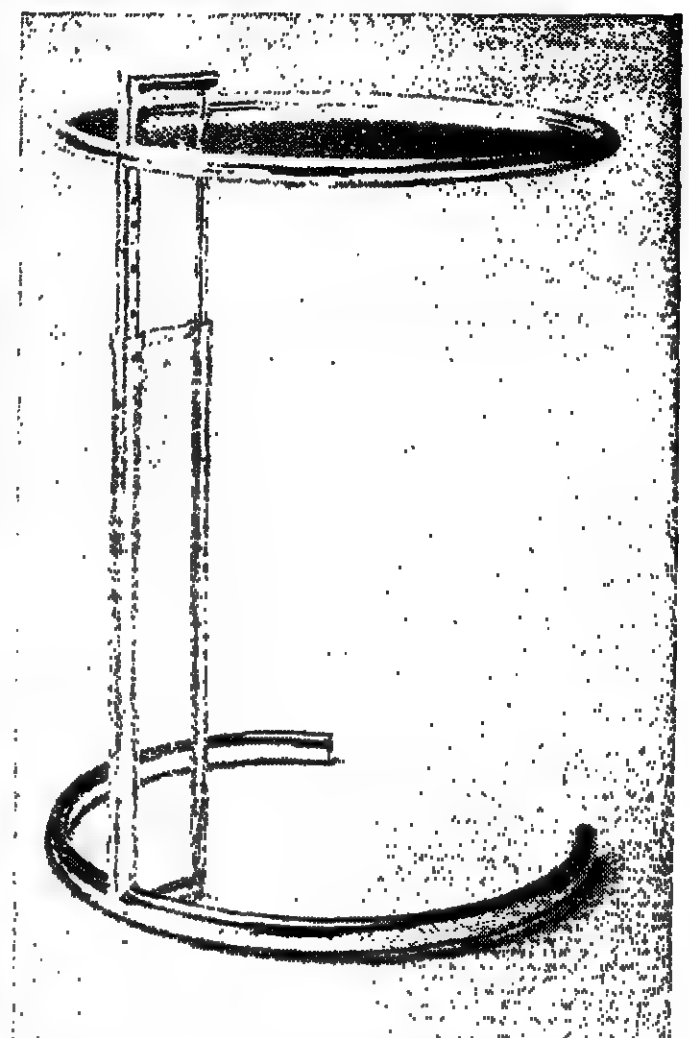
ABOVE: Simplicity coupled with great sophistication seems to be one of the hallmarks of all Eileen Gray's work. There is also about it the sort of timelessness that is the mark of really great art. This chair exemplifies almost perfectly all these qualities and when one stops to remember that this chair was designed in 1929 it seems even more remarkable. This was the time when tubular steel was just beginning to appear, when besides Eileen Gray, people like Marcel Breuer and Mies van der Rohe were also experimenting with using tubular steel for furniture. This is the chair that Eileen Gray designed originally for Suzanne Talbot and which, towards the end of her life, when she and Zeev Aram were

working on the furniture he would make, she tried to track down. Though she advertised all over France she couldn't find a single extant example. Zeev Aram and she worked from her drawings and descriptions and when she finally saw the finished version she was almost like a child with a new toy—at last, her design, had re-emerged. The base is chromium-plated tubular steel while the fully upholstered seat, back and armrests are covered in aniline leather or fabric. Alternatively, there is a very beautiful but less practical material—unbleached cotton canvas. The chair is 28½ ins high, 31 ins deep and is 26½ ins wide. In fabric it is £380.50, in leather £575.

RIGHT: This is the Lota sofa that Eileen Gray designed in 1924 and had in her own home in the rue Bonaparte in Paris where she lived from 1907 until her death. Her version was covered in burnt orange and Zeev Aram has decided to offer it in burnt orange, beige and a pale silver grey. When I asked Zeev Aram what it was that he particularly liked about this sofa he said, "firstly, it is beautiful, secondly, it is simple and finally it is enormously comfortable—I don't think one can ask for more from one piece of furniture." However, he went on to point out that though its simplicity is its immediate appeal, on closer inspection the design reveals great subtlety. As a sofa it is very versatile. The cushions can be picked up and placed almost anywhere—there are four of them, all feather-filled, light and soft. The boxes at either side are on castors and can be detached from the sofa so that, for instance, by removing one box you can sleep on the sofa, using the other end as a headrest. The back and front of the box are lacquered black and with the contrasting colour of the top and sides provide a fantastic prismatic splotch of colour which contrasts marvellously with the softness of the cushions. The back cushions are all finished with cross-stitching. The sofa is 33 ins high, 34½ ins deep and is 84½ ins long. In fabric it is £1,168 plus VAT.



Eileen Gray in 1920, already famous and living in Paris



ABOVE: This small table, originally designed in 1927, was the first of the Eileen Gray designs introduced into England. Zeev Aram started selling these about two years ago. This particular design perhaps has a slightly more dated look than the other two pieces but I happen to like its rather high-style air. Its appeal lies largely in its simplicity and in the quality of the finish. It is also an eminently practical design, the table top being adjustable in height. The frame is of polished chromium-plated tubular steel, while the top is either of satin black stove enamelled sheet steel or of grey tinted polished plate glass. The diameter of the table is 30 inches, while the height can vary from 24 inches to 30 inches. £124.

Recognition at last for a great designer

If you look carefully at the furniture pictured here and try to name the year in which it was first designed I don't think anybody, except the real experts who know about it, would get within 10 years of the right date.

The sofa, for instance, looks so like those ample, seductively soft ones that the Milan furniture show was so full of last year. The chair, in its sophisticated exploitation of tubular steel and the sure way in which the curves of upholstery have been organised, looks as if it might have come off last, or even this year's top class production line. The small side-table may perhaps give the game away, for that does have the highly stylised look that was so typical of its epoch. All three pieces were in fact designed in the 1920s by one of Britain's most neglected but most talented designers, Eileen Gray.

If you have never heard of her don't worry unduly—neither had many of us until a small group of cognoscenti began to take up her cause about five years ago. Now her recognition has reached its logical conclusion in the re-introduction to the market of three of her most famous, most useful designs.

Zeev Aram, who, since he opened Aram Designs in 1964, has been responsible for making available to the British public such famous modern pieces as those by Marcel Breuer and Le

Corbusier, worked closely with Eileen Gray just before she died in 1976 in perfecting these and had built two houses, both of which she considered remarkable. It is probably only somebody as both for the architectural finish and authenticity who could have found the patience and the bravery to embark on such an enterprise.

None of the pieces are cheap. All are of the very highest quality and anybody who buys them will know that they have a piece of furniture that is now internationally recognised as being quite exceptional.

For those who don't know anything about Eileen Gray, it is perhaps interesting that though born in Ireland she came to study at the Slade and in 1902 she went to live in Paris where she died in 1976. In her early years she had a great success in Paris, where she was recognised and admired by people like Le Corbusier and where she was among the first to design not just a building but also everything that went into it so that the total environment was all of one beautiful piece.

Her output, on looking back, seems to have been small but to have had a profound effect on those who could recognise its quality. The apartment she designed for Suzanne Talbot, which she did not only the interior design but all the furniture as well, is one of her most famous and best photographed projects. She only designed in 1976 in perfecting these and had built two houses, both of which she considered remarkable. It is probably only somebody as both for the architectural finish and authenticity who could have found the patience and the bravery to embark on such an enterprise.

Though she spent her last 30 years with very little recognition outside a small circle, just before she died Domus (the Italian interior design magazine), Elle magazine, and a few other people began to pay tribute to her. Now the V and A are planning an exhibition of her work early next year. The New York Museum of Modern Art have the small table on permanent display and will be having an exhibition of her drawings and designs. It's all a bit late but as Zeev Aram said to me, "She deserves a proper recognition—many lesser people get so much more. For her it is late but better than not to do it at all."

At Zeev Aram's large, cool and immensely airy showrooms at 3, Kean Street, London, W.C.2, not only can readers see the furniture but there is also a large back-up exhibition of her drawings and plans. In particular notice just how beautifully her own rugs (these are being made now by Donegal Carpets) and can also be ordered through Aram Designs) complement the small table.

Cooking with Philippa Lavenport

To end a summer's meal with bowls of strawberries (or raspberries, redcurrants or other soft fruit) and an accompanying jug of thick, fresh cream is a delectable treat—but an expensive one. Served "au naturel" you need no less than one and a half pounds of top quality fruit and half a pint of cream for four.

Here are some ideas to turn to when your finances won't run to such quantities, or when you've had your fill of plain strawberries and cream. These recipes use the same ingredients but stretch them further for less extravagant—and I think equally delicious—results.

In most of them, the fruit is reduced to a purée so you can safely use the slightly over-ripe fruit which is sometimes sold off cheaply. A liquidiser is ideal for raspberries but raspberries and redcurrants need to be rubbed through a fine nylon sieve to extract woody pips. The slightly blowsy flavour of over-ripe fruit can be enhanced by the use of citrus juice and/or zest—additions which also work magic in bringing out the flavour of immature fruit.

ILE FLOTTANTE AMANDES ET FRAISES serves four to six

An unusual and delicious recipe well worth remembering when your fridge is full of egg whites left over from making a mayonnaise or hollandaise. It's excellent too made with blackberries (flavoured with a pinch of cinnamon) later in the year.

Whisk the egg whites, add the caster sugar and whisk again until quite stiff. Delicately fold in the praline, turn into a lightly greased 3 pt pudding basin, cover with a dome of greased and pleated foil and secure firmly. Lower onto a trivet in a pan half filled with boiling water, cover with a lid and steam for about 40 minutes.

Cool the cooked pudding slowly (it will have risen dramatically during cooking and will sink as it cools—very dramatically if left in a draughty place) then chill until ready to serve.

Run a knife round the inside of the pudding basin and turn the pudding onto the centre of a large serving dish. Cover the "island" with whipped cream and carefully pour round the base the strawberry "sea", simply made by pureeing together in a liquidiser the strawberries, a squeeze of orange juice and icing sugar to taste.

3oz shivered and well-toasted almonds, 3 oz granulated sugar, 6 large egg whites, 3 tablespoons caster sugar, 1 pt thick cream, 1 lb strawberries, icing sugar, orange juice.

Melt the granulated sugar with 2 tablespoons water over medium-low heat in a heavy-based pan. Then boil until the sugar caramelises and turns golden brown. Quickly stir in the almonds, then turn the mixture onto a lightly greased baking tray. When cold and brittle, break into pieces and reduce to a coarse powder using a mortar and pestle or placing the praline in a plastic bag and crushing it with a rolling pin.

FROZEN RASPBERRY FAVOURITE serves eight

Delicious and deliciously simple. Blackcurrants, strawberries, loganberries and blackberries can all be used instead of raspberries and redcurrants. And, for a variation that delights children, replace the fruit purée with a hot chocolate sauce.

1 pt single cream, 1 pint double cream, 2 vanilla pods, 1 orange, 1 lemon, 2 egg whites, 1 lb vanilla sugar, 1 lb raspberries, 1 lb redcurrants, icing sugar, Framboise.

Use the egg whites and vanilla sugar to make some meringues. While they are cooking scald the single cream with the vanilla pods (split them open so the seeds escape into the cream and flavour it well), then simmer, uncovered, for five minutes, or so until thickened and reduced by one-third. Set aside until quite cold, then

remove the vanilla pods. Drop by drop stir and blend 2 tablespoons lemon juice and 2 tablespoons orange juice into the vanilla cream. Add the finely grated zest of an orange and 1 tablespoon icing sugar. Gently fold the mixture into the softly whipped double cream then stir in the meringues (each one broken into 2 or 3 pieces depending on size) to coat them all over. Turn into a lightly oiled 2 lb loaf tin, cover with a double layer of foil and freeze.

Dip the mould into hot water for a few seconds and turn out onto a serving dish. Refrigerate for at least 15 minutes to soften texture and mellow the flavour. Decorate with a few whole raspberries. Sieve the rest together with the redcurrants, sweeten with icing sugar, lace with a dash of Framboise or Kirsch and serve in a jug or sauceboat.

THREE FRUIT CASSATA serves six to eight

Home-made ices are an excellent means of showing off the fresh flavours of soft summer fruit, and the sculptured shape of a cassata makes a particularly handsome party piece. Although somewhat time-consuming to prepare and assemble, cassatas are, in fact, very easy to make. It is best to make both the ice-cream and the water ice a day ahead. If you have sufficient freezer space, it is worth making double or more quantities of each while you are at it so you can stash some away ready to enjoy another day.

To make the ice-cream, make a rich custard with the egg yolks and cream. Put the strawberries into a liquidiser together with the icing sugar (and the zest of an orange if the fruit is either very over- or under-ripe) and blend to a purée. Add the custard and blend again. Turn into an ice tray, cover and freeze, stirring occasionally during the first hour or so if possible.

To make the water ice, boil the sugar and water with lemon zest to make a syrup. Cover and set aside to infuse. Strain when cold and stir in one tablespoon lemon juice together with the fruit purée. Turn into an ice

For the ice-cream: two egg yolks, 1 pt double cream, 1 lb strawberries, 1½ oz icing sugar. For the water ice: 1 pt sieved raspberry and redcurrant purée, 1½ oz sugar, 2½ fl oz water, half a lemon. For the cassata: 3 fl oz double cream, 2 oz candied orange peel soaked in two tablespoons orange juice, 1 oz toasted almonds or hazelnuts.

Freeze for two hours or until quite solid.

Line the ice-cream coated basin with the layer of water ice in exactly the same way and freeze again.

Make the cassata mixture by whipping the cream very softly and sweetening it with half a teaspoon of icing sugar, then folding in the drained orange peel and chopped nuts.

Press the cassata into the central hollow of the frozen pudding. Smooth and level the top with a palette knife, cover and freeze again for at least two hours.

Dip the pudding basin into a bowl of hot water to loosen the pudding from its container, then invert onto a serving dish and give the melted surface a glossy, smooth finish by stroking it with a hot, dry palette knife and turning it, uncovered, to the freezer for five minutes.

Transfer the cassata to the fridge for at least 15 minutes before serving to soften and mellow flavours a little. Decorate with a few pieces of reserved fruit or drizzle a few spoonfuls of Framboise over the top of the cassata just before serving.

STRAWBERRY MOUSSE serves four to six

A creamy textured, well-flavoured mousse which is quickly made and far from extravagant. The trick is to cke out strawberries with a banana—but don't be tempted to use two bananas and only 1 lb strawberries or your ruse will be plain to all!

Since the banana and put it into a liquidiser together with the sugar, orange zest and all but two or three of the straw-

1 lb strawberries, 1 large banana, 2-3 oz icing sugar, 1 orange, half a lemon, 2½ teaspoons gelatine powder, 1 pint thick cream, 1 egg white.

berries. Blend until reduced to a smooth purée. Measure 3 tablespoons orange juice and 1 tablespoon lemon juice into a small pan, sprinkle with the gelatine and leave to soak for five minutes then melt

over low heat. Blend it into the fruit purée.

Whip the cream, fold the mixture into it and chill (occasionally folding the mixture delicately to prevent separating) until setting point is nearly reached. Then whisk the egg white, fold the fruit cream into it, turn into a soufflé dish and refrigerate until set.

Decorate with reserved strawberries just before serving.

Finishing touches



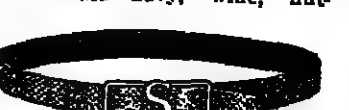
IF YOU can't afford really precious jewellery or feel happier taking non-precious pieces when travelling then Sylvia's of 25, Beauchamp Place, London, SW3 has some marvellous pieces of what is termed "costume jewellery". In particular she has these two "gold" chains which look for all the world just like some very, very well-known status symbols from famous houses.

Above, is a "gold" and "silver" twisted chain which is 28 ins long and looks marvellous worn with sweaters, a good summer tan or those nice sophisticated dark Italian prints. £11.95 (25p p&p).

Below, is what is described as a Genoese anchor chain. This one is "gold" and is 34 ins long. £9.95 (25p p&p).



THE LARGE bulky voluminous look that is currently so fashionable requires a good selection of belts. Sylvia's have a very elegant snakeskin belt which can be ordered in a wide range of colours—navy, wine, nut-



brown, black, royal blue, grey, green ivory red etc.—and all of which can be supplied with a gilt or silver-coloured initial as the buckle. Order by waist length and Sylvia's will add 4 ins onto it so as to allow room to wear it over something bulky like a coat, as well. £18.70 with one initial, £22.00 for two.



Country Casuals is a good name to look out for if you're in search of clothes that manage to look as if they've been designed and made this year but are not so way out that they take a lot of matching up to. In their range you won't find the very latest Nehru look, the Diane Keaton dressing-up box look or the "lost-my-lollipop" schoolgirl look. What you will find is eminently wearable, practical clothes with enough of a fashion sense for one to feel happy wearing them.

This summer's collection is full of their usual range of separates, all in co-ordinated colours so that you can always find a shirt to go with a skirt, a cardigan to go with trousers and so on. Some of the colours aren't my cup of tea but I do like their khaki collection—amongst this group you will find blouses, drawstring tops, gaucho pants, straight-legged trousers, and this very useful skirt and matching waistcoat.

The waistcoat is £14.50, the skirt £15.00. Though they look more of an "outfit" together, they can be bought separately. You can buy them in selected branches of Country Casuals, including those in Brighton, Glasgow, Guildford, Leeds, Liverpool, John Lewis in London's Oxford Street, Nottingham, Oxford, etc.

The pretty floral patterned blouse in 100 per cent viscose is one of several at all branches of Wallis Shops (£7.95). Shoes by Rayne, £59.00.

ARTS

Tristan at Covent Garden...

Tristan and Isolde returned to Covent Garden on Thursday with a heroine altogether new to this theatre—the American soprano, Roberta Knie—and a hero who has not sung this role there before—Jon Vickers. Miss Knie is well-known in Germany, where she was a Brünnhilde at Bayreuth in the Ring centenary year, in Austria, and in the U.S. She is tall and handsome, she moves with grace and authority, she looks at once imperious and warmly human. As with her Bayreuth Brünnhilde one feels she is thoroughly inside the role but that the voice is not fitted to do everything required of it. An extra effort such as the curse at the climax of Isolde's narrative leaves traces of strain. While the too easily and often overdone ruses of the orchestra, the lower part of the range is unsatisfactory.

OPERA

RONALD CRICHTON

crushing role and can sing much of it so effectively. Even when the voice is tired, Miss Knie, as she showed in the Liebestod, can make with her clear and confident phrasing a convincing sense of the music. There is one conspicuous moment when the producer (Elphinstone) re-working the 1971 stagings could give her more help. It would need to be from the moment when, as Mr. Vickers requires Isolde to do at the very end of the opera, slowly and sideways on to Tristan's body—surely there is nothing to prevent Brangäne from being a hand. And Brangäne, in put it mildly, has quite a lot to answer for.

Wilton's stages a come-back

A film appeal has been launched to bring Wilton's Grand Music Hall back to life. If the appeal succeeds, Wilton's will reopen on March 25 next year—the 10th anniversary of the first variety night presented by its founder, John Wilton. The last performance at Wilton's in Wellclose Square, London, E1, was in August, 1880.

Tristan's attendant, Kurwenal, is trustfully sung by Donald McIntyre, but though he provides admirable support for Tristan in the last act, the part no longer lies there before—Jon Vickers. Miss Knie is well-known in Germany, where she was a Brünnhilde at Bayreuth in the Ring centenary year, in Austria, and in the U.S. She is tall and handsome, she moves with grace and authority, she looks at once imperious and warmly human. As with her Bayreuth Brünnhilde one feels she is thoroughly inside the role but that the voice is not fitted to do everything required of it. An extra effort such as the curse at the climax of Isolde's narrative leaves traces of strain. While the too easily and often overdone ruses of the orchestra, the lower part of the range is unsatisfactory.

The major distinctions of the evening, however, come from the extraordinary Tristan of Jon Vickers and from the conducting of Colin Davis, marking a further significant stage in his conquest of Wagner. Mr. Vickers starts quietly: if there were nothing else to remark on, one could still single out his Tristan as an object lesson in the grading of the three acts, of holding back without weakening the tension—some half-trained tenors are virtually down and out before they have even begun to scale the peaks of the last act. Yet even he is, so to speak, biding his time. Mr. Vickers invests every utterance with latent, monumental power, with a charge of suppressed electricity, with sudden gleams of searing lyricism.

There is about this performance a sense of moral fervour and inner conviction hard to describe—the moral quality somehow continues to shine through even after the drinking of the poison and Tristan's consequent enslavement. Mr. Vickers starts by resembling a lion. From the moment of the fatal draught he becomes a lion disguised as Beethoven. The third act is tremendous. Tristan's awesome sufferings, spiritual and physical, are portrayed with the all-or-nothing ferocity of a Wolfist, though without the actor's sense of flamboyance. Heaven forbid that younger singers lacking this artist's touch of genius should try to imitate such externalisms as the notes ejaculated in single, rough gasps—unless they can also

Since then the building has seen a variety of uses and gradual decay until the GLC stepped in in 1964 to prevent further deterioration. The restoration will extend to the attic, the bar and other facilities and lunch-time entertainment and exhibitions of musical hall memorabilia are envisaged.



Roberta Knie and Jon Vickers

...and at Kiel

match the art of welding them into phrases of such noble and searching eloquence, revealing Tristan's mind and limbs as the innermost fibres yet the former still through the haze of pain and delirium clutching at one fixed idea—reunion with Isolde.

Mr. Vickers is excellently supported by his conductor, Colin Davis also starts quietly. Throughout the first act one has the impression of one of his sensitive but small-scale operatic performances. The true Wagnerian groundswell is only intermittently audible. Once in the castle garden at night (the present version of John Bury's set is much preferable to the last one I saw, with hideous viridian turf on the knoll), the orchestral tone begins to glow; in the third act the conductor's sculpted probes deep and the playing is worthy of the chief singer. But he hurries and loudens too much towards the climax of the Liebestod; by then the time for merely physical excitement is past.

With so few adequate Tristans or Isolde, the great work (rather overshadowed during the last decade or so by the more easily surmountable Meister-singer) cannot be expected to turn up often at Covent Garden. Take the chance now, and as you dig deep into your pocket for the member, if it helps, that it would cost you a good deal more to hear the same artists in Paris or Vienna or Bayreuth.

GRAMPIAN

9.00 am Sunday on Saturday including birthday greetings and The Woody Woodpecker Show. 9.25 am Captain Scotland and the 1000 Islands. 10.15 am News. 10.30 am The ITV Six. 11.00 am News. 11.30 am The ITV Six. 12.00 pm News. 12.30 pm The ITV Six. 1.00 pm News. 1.30 pm The ITV Six. 2.00 pm News. 2.30 pm The ITV Six. 3.00 pm News. 3.30 pm The ITV Six. 4.00 pm News. 4.30 pm The ITV Six. 5.00 pm News. 5.30 pm The ITV Six. 6.00 pm News. 6.30 pm The ITV Six. 7.00 pm News. 7.30 pm The ITV Six. 8.00 pm News. 8.30 pm The ITV Six. 9.00 pm News. 9.30 pm The ITV Six. 10.00 pm News. 10.30 pm The ITV Six. 11.00 pm News. 11.30 pm The ITV Six. 12.00 am News. 12.30 am The ITV Six. 1.00 am News. 1.30 am The ITV Six. 2.00 am News. 2.30 am The ITV Six. 3.00 am News. 3.30 am The ITV Six. 4.00 am News. 4.30 am The ITV Six. 5.00 am News. 5.30 am The ITV Six. 6.00 am News. 6.30 am The ITV Six. 7.00 am News. 7.30 am The ITV Six. 8.00 am News. 8.30 am The ITV Six. 9.00 am News. 9.30 am The ITV Six. 10.00 am News. 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ARTS/COLLECTING

Fun with Herbert Farjeon

Herbert Farjeon who was buried on Wednesday, and celebrated in the World of Herbert Farjeon by Gerald Frow (Radio 4, May 24), had the perfect combination of genes for theatrical success. His mother was the daughter of a famous American actor; his father, Ben Farjeon was Jewish but had broken free of the orthodox faith, went around as a young man in the goldfields of Australia and New Zealand before returning to London to become a prolific and popular novelist of the late Victorian era. Mamma sang Plantation Songs to the little Farjeons and Father read aloud to them from Anstey and Dickens. The theatrical establishment straddled their childhood: people like Henry Irving, Charles Wyndham, H. J. Byron were intimate friends of Papa, and they were generous with complimentary tickets for their shows.

"Bertie" was the youngest of four children; they were all gifted. By the age of seven they were scribbling away, composing stories, plays and poems, preserved in the family manuscript book. His brother, Joe Jefferson (Mamma's maiden name), and his sister Eleanor both went on to become successful authors like Papa. Eleanor's children's books remain in print and are still widely read; her *A Nursery in the Nineties* (1935) is a pushy enjoyable feast of nostalgic information about their childhood. Bertie had cricketer dreams as a prep school boy in

His first song to hit the headlines was one he wrote for Elsa Lanchester to sing at parties. "I danced with a man who danced with a girl who had danced with the Prince of Wales." It was included in *Many Happy Returns* at the Duke of York's Theatre in 1928 sung by Mimi Crawford. Upstairs followed at the royal name being taken in vain, though Farjeon had in fact cleared it with the Palace. Never mind he had at last got his eye in as a writer of songs and sketches: from this point until his death he played many long elegant innings at the Little Theatre and elsewhere, eventually under his own management, on the pitch to which his talents were so well suited, intimate revue.

Much of this life story came through Wednesday's programme in the form of a narration spoken by Michael Smee and Farjeon's own words smoothly uttered by Peter Barkworth. But naturally the meat of the programme was not biography but Farjeon's work which was performed by people who clearly relished the task. Dilys Laye, Hugh Paddick, Peter Reeves, Tricia George among

RADIO
ANTHONY CURTIS

Hampstead but when the day of decision dawned he went on the boards and toured the states from Pennsylvania to North Carolina with his uncle's troupe. The experience cured him of any desire to act in public and he too turned to trying to live by his pen. He became a sub-editor on *Answers* before the first world war and later drama critic of the *Daily Herald* confessing, to the horror of his editor, to having fallen asleep during *Othello*. Later he wrote a song "It's only journalism."

John Nash, a minor master

John Nash died last year at the age of 84, having painted on almost to the end. By that time his particular distinction was already recognised, his reputation having grown significantly in recent years. Even so, his work is still less widely known than it deserves to be, and this excellent memorial show at the New Grafton Gallery (until June 14), a selection from the work left in his studio at his death augmented by a few loans and covering his entire career, should help in that direction.



John Nash: Study for "Over the Top"

ART
WILLIAM PACKER

talented and variously gifted brother Paul, and inevitably he lived in the shadow of his reputation, though he survived him by some 30 years. It is hard that the one should suffer by the excellence of the other, rather more so than had he been less natural a disciple. And it would be wrong to emphasise too strongly the similarity of their work. Though their early work was close in spirit, and certain technical characteristics were always shared, the same fondness for water-colour, the same rather dry and chalky use of oil paint, John, taking a narrower and quieter path, soon asserted himself as his own man.

Valley and the Chilterns in his early and middle years, as the later decades the further corner of Essex, close to Constableland. He immersed himself in his subject, and the instinctive rapport he achieved with everything he did. He was one of the finest flower draughtsmen of recent times, that work born of deep knowledge, and he illustrated many notable books and folios, dealing with plants of many kinds. To call him a great artist would be to overstate his case, and his modesty would laugh at the presumption: to call him a minor or interesting or very English would be to patronise and belittle him. We have no exact phrase for him in English. He was a master in his way, giving us eyes to see the world through his own acute and particular sensibility.

War Museum, a painting based on a person's experience as an infantryman in the Great War, and one of the very best works to come out of the War Artists' scheme. I taught with John Nash, for a few years, at Colchester School of Art, and he once told me that he was certain that his brother Paul's success, early in 1918 and after many months of trying, in getting him a War Artists' Commission, saved his life. His own long life's work makes us all grateful for that happy intervention.

Some 10,000 exhibits dating from antiquity to 1830, estimated to be worth £30m, will be at the 37th Grosvenor House Antiques Fair in the splendour of the Great Room, Europe's largest ballroom, from 14-24 June, to be opened by the Duchess of Gloucester. (The hotel was built on the site of the home of the Dukes of Westminster, who owned one of the greatest private art collections in Britain, Grosvenor, the family deriving from Grosvenor, Veneror or Master of the Hunt).

Come, come to the fair

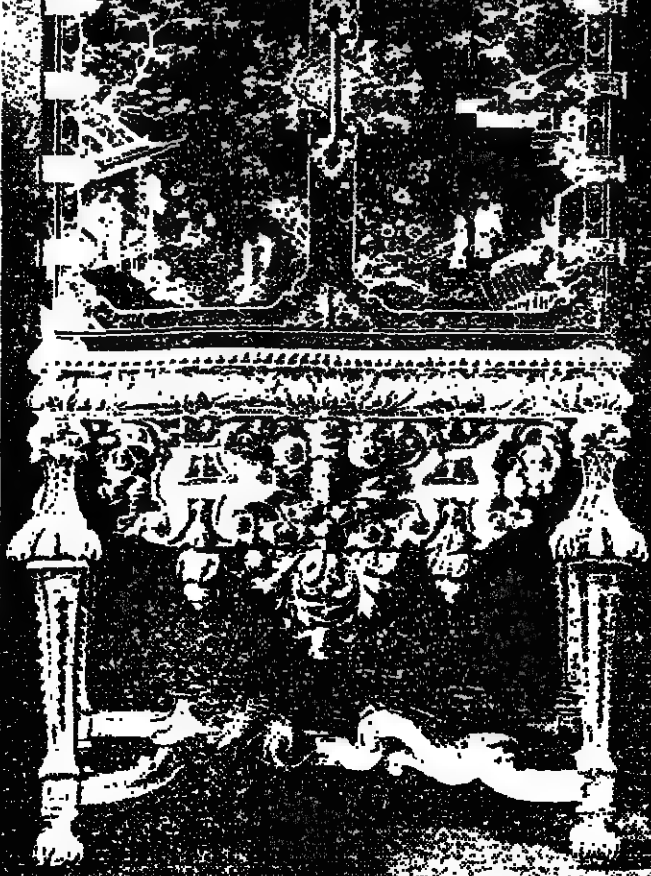
IT HAS been said of Frankfurt-born Robert von Hirsch (1883-1977), that he was one of that rare breed of collectors that actually knew about the things he was collecting. His reference library at Engelsgasse, Basel, where he transferred his art collection in 1933 because of the political climate in Germany, was of outstanding quality.

When the Hirsch Collection is sold at Sotheby's during June 20-27, it is expected that the 76,359,353 from the 3,739 lots offered at Sotheby's sale of the century at Mentmore last year.

A selection of the Hirsch treasures have already been exhibited in Frankfurt and Zurich, while on Wednesday until June 8 they go on show at the Royal Academy, Piccadilly, W1, before the full view.

COLLECTING
JUNE FIELD

ing at Sotheby's, 34-35 New Bond Street, W1, from June 14. The four-volume, £40-worth of catalogues are being snapped up now, no doubt in recognition of the rarity value of the Mentmore publications.



Fine late 17th century Chinese export lacquer cabinet decorated with gold chiselwork on a magnificent carved giltwood base. At Mallett's, Grosvenor House Antiques Fair, June 14-24.

riages in Print 1800-1850." It illustrates, with engravings, lithographs, aquatints, books, pamphlets and commemorative items, the amazing ancestors of the automobile, these pre-historic monsters that moved by crank and lever, cog and pedal, wind and steam, all of which were designed with one objective of rendering obsolete the horse-drawn vehicle.

Serious work at Cannes

No casual visitor to the cinema's annual jamboree-by-the-sea could mistake Cannes for anything other than a town in the fevered throes of Festivalitis. The symptoms are evident and everywhere: a lurid rash of advertising covering the face of the town, a sea-front filled with people deep in talk, business deals or between-dinner-hurry, and sporadic clusters of journalists and photographers gathered round some newsworthy happening. This year's first headline-stealing event was the appearance of American starlet Edy Williams posing full frontal for photographers on the Carlton Hotel terrace. Elsewhere champagne parties, topless (and/or bottomless) cavorting on the Croisette, and other goings-on dear to the myth-makers of Cannes have been rarer than usual; taking second place to the busy schedule of films.

A fascinating selection these promises to be. The star attractions so far have been Rainer Werner Fassbinder's *Despair*, Nagisa Oshima's *At No Boroi* and Claude Chabrol's *Violette Nozieres*. Not quite masterpiece-pieces, these are nonetheless irresistibly lively films, each making a new and intriguing change of direction for their makers.

Despair is Fassbinder's first non-German film, starring Dirk Bogarde and with an English screenplay by Tom Stoppard based on a Nabokov novel. Bogarde plays a Russian expatriate living in 1930s Berlin who has a weakness for what one might call "voluntary schizophrenia." He keeps imagining that an identical alter ego is watching him at work, at play or in bed (with his plump, pretty wife Andrea Ferrell), and far from fearing the manifestations he becomes drawn almost addicted to them. When pressure of the pre-Nazi times and professional despair (he runs an ailing chocolate factory) encourage him to throw up his middle-class life and begin anew, he goes out, finds a new, seemingly perfect "double" (Klaus Löwitsch) and attempts to fake his own death by killing the chosen man.

The macabre joke is that the double looks nothing like Bogarde (except to Bogarde), and it is only a matter of time, and of a carefully chosen moment before the police track him down and arrest him just when he thinks he is embarking on a New Life. The joke is not quite enough to sustain the whole film, alas, and the mixture of Stoppard's witty convoluted dialogue and Fassbinder's roccoco camerawork is so over-rich that aesthetic repulsion comes well before the end. But there are fine moments—mostly provided

CINEMA
NIGEL ANDREWS

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two to recreate the true story of a poor Parisian girl who in 1934 poisoned her mother and father, after a girlhood marked by poverty, prostitution and a love-affair with an unscrupulous fortune-hunter.

Violette Nozieres became a folk-heroine of her day, and the film extracts its theme tune from a popular song written about her during the time. But although Chabrol dutifully sirs the contemporary notion that *Violette* was a victim of her times, driven up to crime by parental repression and sexual ignorance (she learns to love at once), he never allows the film to become a modishly liberal apologia for murder. Isabelle Huppert's heroine is at once a tragic social casualty and a nervous schemer: the parents (Stéphane Audran and Jean-Pierre L  aud) are at once petty by Sven Nykvist, starring Ingrid Thulin and Erland Josephson, and co-directed by all three.

Isabelle Huppert in "Violette Nozieres"

Senses, which opened recently in London. The new film *At No Boroi* (*Empire of Passion*) eschews explicit sex in favour of a period melodrama rife with ghoulia, murder and revenge. The time is 1896, the setting a Japanese peasant village. A young man falls in love with an older married woman. She returns his love, their passion grows, and finally the adulterous couple kill the woman's husband. But his ghost returns to haunt them, and eventually to drive them to confess their crime.

The film's pace, intensity and bravura camerawork are undeniable; but a first viewing leaves one doubtful that the film is either as original or as thoughtful as its predecessor. It bristles with ornate visual symbols and similes—the vertical motif of bands raised in supplication is echoed in the plethora of rear-view phallic symbols—but the film is stronger on raw emotion

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EXPERIENCE AND EXPERTISE . . . 342



Harold Gilman: Girl by a Mantelpiece. Sale, Friday, June 8.

Lovers of the work of Harold Gilman (1876-1919) are accustomed to the bright palette which he developed after his introduction to the Post-Impressionists at the first exhibition of their paintings in London in 1910. The picture illustrated here is, however, of an earlier period and style, probably painted in 1906/1907 when he first came under the influence of Walter Sickert, himself a pupil of Whistler and a friend of Degar, at 17 Fitzroy Street. Sickert introduced Gilman to the delights of the intimate interiors of which he became such a master.

In 1905/1906 Gilman visited Spain where he met an American girl called Grace Canedy whom he married in Madrid. The marriage ended in divorce four years later. She is probably the figure by the mantelpiece in this picture which was painted at Gilman's family home, Snargate Rectory, Romney Marsh in Kent. Gilman's father was the rector there. His son evidently thought highly of it and intended it for the Salon des Independants in Paris for which he wrote a little in French on a label stuck to the stretcher. "No. 4 La Cheminee (sur la cheminee)". Whether it was definitely shown there we may never know but we do know that it was bought (perhaps at 17 Fitzroy Street) by Madame Errazuriz, a distinguished Chilean lady who supported young English artists and was the subject of portraits by Sargent, Boldini, and Conder amongst others. She sold it at Christie's in 1919 for 20 guineas.

For further information on Christie's sale of Modern British and Irish Paintings, Drawings and Sculpture on Friday, June 9, please contact Francis Farman at the address above.

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On the financial front, by contrast, there was no news of even

BY MAX WILKINSON

Even now the industry is labouring under the disadvantage of a higher "luxury" VAT rate of 12.5 per cent, which manufacturers claim is helping to depress demand and, they

which does not itself make washing machines—continues to buy its Bendix range from abroad. This practice of vendor branding has, however, become widespread throughout the Con-

plans for more than £200m of new plant and machinery for the production of washing machines and refrigerators. Hoover is establishing a new £10m factory in Merthyr Tydfil to make automatic washing machines, and Thorn, the leading British maker of refrigerators, also has several substantial investments planned.

marketing, the German manufacturers managed to retain the majority of domestic sales and to match imports with a healthy volume of exports.

plans for more than £200m of new plant and machinery for the production of washing machines and refrigerators. Hoover is establishing a new £10m factory in Merthyr Tydfil to make automatic washing machines, and Thorn, the leading British maker of refrigerators, also has several substantial investments planned.

According to make dishwashers, the market is projected to be a very large market, with only 2 percent of British households have dishwashers compared with about 10 per cent in France and Germany and nearly 40 per cent in the U.S.

The emergence of the micro-wave oven is part of a general change now overtaking a

But I should be most grateful if someone could tell me how it is that nationalised bodies can make untruthful public statements without any Government sanction being forthcoming. The Health Authority in the Thames region, for example, has been criticised for making a false statement in connection with the chance in the collection of sewerage charges explains that these charges "will no longer be collected with your general rate demand and your sewerage rates may correspondingly lose money and the council will have to pay it. Thames Water instead." This is just not true for a very high proportion of the public.

Patents are being found less important by UK innovators (could it not be that they have recognised what innovators from other countries have missed that other methods of protection are proving as good as or better than patents?). R and D expenditure is being found less feasible and

The concentration of the profession into fewer, larger firms, the poaching by these firms of industrial auditors of which they have no local or technical knowledge hitherto possessed by

Engineers
From Mr. C. Matthews

own party — successfully moved the deletion of "on-the-spot" fines for over-riders and fare dodgers, from the Transport Bill. No doubt he is congratulating himself on a victory for freedom.

No doubt I should try to speak more clearly in future, but for

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Political football in Argentina

By HUGH O'SHAUGHNESSY in London, and ROBERT LINDLEY in Buenos Aires

SOMEWHERE BEHIND a swirling fog of politics an international football championship will be starting in Buenos Aires next week. Whatever sporting records are broken in the course of the matches it is clear that the World Cup 1978 will go down as the most highly politicised tournament that has ever been seen.

It was fated to be so from the beginning. Buenos Aires was selected as the venue when Argentina had a Peronist government and from that moment the Argentines knew they had an opportunity to obtain a victory in the field of political public relations and, at least as importantly, to demonstrate that they were a better organised and more sophisticated nation than their diplomatic and sporting rivals, the Brazilians.

General Juan Domingo Peron the President, declared that the event would show that Argentina was "a world power."

After the coup d'etat of March, 1976, when the chaotic government of his widow, Maria Estela Peron, was overthrown by the military, the new president Lieutenant-General Jorge Rafael Videla was not slow to realise the political benefits the World Cup might bring him.

In the space of just over two years, he calculated, he could have liquidated the Peronists and the Left and be in a position to exhibit an image of a pacified Argentina united in gratitude to his firm but just rule. And Argentina could also be seen to outshine the Brazilians.

To that end he committed large quantities of money to preparations for the World Cup and retained a public relations consultancy in New York to push the message home that his country was new, stable and

increasingly prosperous. No expense was spared. A high level military committee has spent a reported \$700m on the preparations and the public relations company has ferried a constant flow of journalists and other visitors to Buenos Aires in the hope that they would write "positively" about Argentina.

But things have not worked out as General Videla wished. Some of his ministers have been severely critical of the spending of a sum equivalent to one-seventh of the exchange reserves which could, according to one critic, have built 98,000 badly-needed houses.

As the months have passed increasing numbers of well-authenticated accounts have appeared of the extreme measures the Videla Government has used to crush opposition of the neo-Nazi and anti-semitic tendencies in official circles and of the continuing harassment of opponents of the Government, Marxists and non-Marxists alike. The public relations campaign has proved an expensive failure which, particularly in Europe, has served principally to provoke questions about the fate of scores of EEC citizens who have disappeared in Argentina under the Videla regime.

The disappearance and probable death of two French nuns has inflamed public opinion in France and demands have been made in France and Germany that the two Governments should send commando teams to guarantee the security of the football teams.

The World Cup has been hotly debated in the European Parliament and in the national legislatures of member States and, far from promoting a favourable image of the Videla Government, has produced calls for further restrictions on EEC



Scotland World Cup Captain Bruce Rioch and full back Willie Donachie relax on their flight to Buenos Aires. A helmeted soldier wearing battle fatigues (right) guards the World Cup Stadium in the Argentine capital.

imports of Argentine goods. The Montoneros, a Left-wing anti-Videla guerrilla group with roots in the Peronist movement, have had their big chance to make propaganda against the Buenos Aires authorities.

Although the Montoneros have declared that they will not attack players or fans during the matches, terror raids have claimed the life of one general co-ordinating the World Cup arrangements and an explosion at the Press Centre earlier this month killed a policeman and wounded others.

That is not to say, however, that General Videla's opponents have had it all their own way. The idea of a boycott of the Cup, floated in France, never was a starter and the powerful French Communist Party has been in two minds about its opposition to the event for fear it will be obliged to speak out against the holding of the next Olympic Games in Moscow.

But in broad terms General Videla's bid to use the World Cup as a powerful political weapon has backfired badly and he is now facing the prospect of having to preside over a

highly controversial event. Nevertheless General Antonio Merlo, the retired officer in charge of the arrangements, grimly pushes on with his task.

The teams are being lodged mostly in luxury clubs or hotels distant from the stadium where the earlier matches will be played. In Cordoba province, for example, the Scottish and Iranian teams are staying in the top-class Hotel Sierras, half an hour's drive from the city of Cordoba where they will play. The French team goes to the Hurler Club outside Buenos Aires, the Ger-



has not got colour TV yet. The best seats are on sale at up to £23 while standing room is available at some games for no more than £1.50.

After a slow start there has been great eagerness to buy tickets. This has caused some disorderliness in the queues and last week a policeman opened fire injuring three queuers. During the matches most of the police assigned to the stadium will be in plain clothes to avoid dampening the holiday spirit of the event.

Local forecasts suggest that production will fall by 30 per cent during the month in Argentina and Brazil and the Government has announced that work in its offices will be re-scheduled in June—but only on those days on which the Argentine team will be playing.

For months now the Foreign and Commonwealth Office has been hard at work trying to ensure that the visit of between 500 and 1,000 Scottish supporters goes off as well as possible. Officials are under no illusions about the incidents which could take place if the contingent over-reacts either to victory or defeat.

Special consular facilities have been laid on and the FCO is doing its best with the help of travel agents to register the name of every fan due to be attending. At the same time officials realise that they have a little hope of keeping track of those enterprising souls reported to be making their own way to Argentina by car, bicycle and submarine.

Though there is no immediate dispute between Scotland and Argentina similar to the case of the missing nuns which is exercising the French, delicate issues such as possession of the Falkland Islands, the British

colony which is claimed by Argentina, could well provoke unpleasantness if broached aggressively by the Scots.

The idea suggested by members of the pro-Falklands lobby at Westminster that fans might do nothing but good by wearing T-shirts bearing some slogan like "Keep the Falklands British" was dropped when it was pointed out that such action could well bring about extremely ugly scenes in Argentina.

For the moment everything is in the balance. If things go well for General Videla the matches will pass off cleanly and harmoniously, the fans will behave themselves, the police will rein themselves in, international incidents will be avoided and foreign journalists will not go round the country trying to unearth their own particular political horror stories.

If things go badly for him the matches will produce bad blood, there will be clashes between fans and police, the Montoneros will pull off some spectacular publicity coup for their cause and the journalists will devote as much time to political as to sporting matters. The first scenario is certainly possible, the latter is more likely. One senior man at the FCO commenting on the political and diplomatic ramifications of the World Cup, said the other day: "I'm afraid this is one we can't really hope to win."

In his blacker moments General Videla in Buenos Aires must be thinking along the same lines.

The last word should perhaps go to the Argentine novelist Jorge Luis Borges. He called the World Cup a "calamity." "But," he added, "luckily it'll soon be over."

Weekend Brief

It's a man's world Ma'am

ALTHOUGH the Queen is not known for crashing social barriers, her recently announced visit to the Gulf oil states next year will certainly set some precedents in the area. Her tour is scheduled to take her to Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, Iran and Oman. Except for the case of Iran which she visited in 1961, all of the countries have little, or no experience in dealing with a female Head of State.

In Saudi Arabia particularly, the protocol implications of the Queen's visit will no doubt tax the Arab experts of the Foreign Office for some months to come. Considered by many to be the Kingdom of male chauvinism, Saudi Arabia imposes strict standards of conduct on women who live there, and virtually bars visits by working businesswomen. (They make it so difficult, most give up trying.)

Women in Saudi Arabia are not allowed to drive a car, get in a taxi alone, leave by plane without a male relative or even travel by bus. Social custom also bars funny cotton dresses, sleeveless blouses or any other "immodest" styles. More often than not, life in Saudi Arabia for a woman means perspiring in a dress up to the neck and down to the ankles. Naturally, the circumstances of the Royal visit will be different. Nevertheless, the Queen's protocol advisors will no doubt bear in mind that she will not only be meeting the over-60 of the richest kingdom in the world, but that King Khalid, in his position of

Guardian of the Holy Places, is the highest authority in the religion of Islam.

As there is no precedent, perhaps the experiences of other women visitors to the country may give some helpful indications. A former British woman minister who visited the country some years ago, said that she felt obliged to perform her day time official visits in a long evening dress — "the kind you wear on a chilly English summer evening" — but without the décolletage.

When Mrs. Rosalyn Carter visited with husband Jimmy last year, she found herself unable to travel with her husband in the same car and obliged to walk a few steps behind him and his royal Arab hosts. When she got back to the U.S., her pique was quickly picked up by women's liberation groups and glib political columnists alike. Mrs. Nixon, too, found herself one step behind Mr. Nixon when they stopped off in the royal kingdom in 1974. The Saudis had mapped out an entirely separate ceremonial programme for her. She was not invited to the customary end of visit banquet, instead she had her own with 15 or 20 ladies of the Royal Saudi court.

Royalty is nevertheless different from Republicans' wives. But words of advice come from the Muslim sheikh in Regent's Park mosque. A Muslim sheikh there believed that it would be "gracious courtesy by Her Majesty" if she were to don "one of her beautiful headscarves" to cover her hair, and preferably a long dress "or heavy stockings" when meeting King Khalid. Another suggested that the Queen should resurrector one of her grandmother's dresses. "That would be most appropriate." Another scholar pointed out that it should also be borne in mind that as the highest figure in Islam, King Khalid may feel it not quite suitable to shake hands (Muslim sheikhs in some sects are forbidden even to shake hands with a woman other than

their wives). However, it is unlikely that any such complications will arise, for in the past as Head of State the Saudi monarch has been called on to shake hands with visiting wives, consorts and women ministers.

In the words of foreign office spokesmen, the Royal oil tour is designed to "broaden and deepen relations" between Britain and the oil world, though commercial benefits are naturally expected to follow. Last year, Britain earned £77m from Saudi Arabia alone, and the string of tiny Gulf sheikhdoms are playing a vital role to Britain's export drive. British officials are hoping that the Saudis will come up with a "unisex" tour, (not just tours of girls' schools) and hope that the Queen will be shown some of the country's modern developments such as the Petroleum Institute at Dhahran (all male) and perhaps visits to oil rigs.

The Foreign Office have no doubt that the Saudis will handle their first lady head of state with the sophisticated ease that they are well known for. As the former woman minister commented — "I was staggered how naturally they appeared to handle me. There were no traces of embarrassment at all. It seems that they have one code of treatment for their own women, and another for other people's."

It's an ill wind...

The current argy-bargy between London and Buenos Aires over the future of the Falkland Islands, Britain's remote possession off the coast of Patagonia, has done wonders for the value of the colony's banknotes. Intrigued by the diplomatic storm which hangs over the islands, collectors are eager to lay their hands on specimens of the notes which circulate among the 1,900 islanders in what must be one of the world's smallest economies. As a result

recent and common issues are changing hands for two or three times their face value.

All of which makes Colin Narbeth of Stanley Gibbons currency department happy. He has just acquired a rare £1 note of 1988, one of the few nineteenth century Falklands issues outside banking archives and he is prepared to part with it for £2,850.

The Falkland Islands notes are however an exception to the rule that notes from the South American region are generally very cheap buys. Showing me some examples of Paraguayan issues of a hundred years ago which he is offering for ten pounds or less he remarked "If these were European issues they'd be worth ten times the money."

He sees banknotes of Latin America as an inexpensive and easy starting ground for aspiring note collectors. According to him, their cheapness today means they are very likely to appreciate very comfortably over the next five years.

Lofty thoughts

Loft insulation material is that unpleasant stuff which inflames your hands if you don't wear gloves and clogs your lungs with dust if you don't wear a mask, but which brings about a sharp reduction in your heating costs. Since a saving in the householders' fuel bill means a cut in the country's energy consumption, it is understandable that the Government is trying to give an encouraging push.

Ironically, though, the insulation trade is in a tizzy over the Government's schemes to hand out grants to householders insulating their lofts or lagging their water pipes. On the one hand, the prospect of subsidies of £25m a year brings the promise of big business as a projected 3m homes are insulated over the next 10 years. But who on earth is going to buy insulating materials in the intervening

period before the local authorities are empowered to hand out up to £50 (or 66 per cent of the total cost) to applicants?

With any luck, the Homes Insulation Bill will be rushed through by July and the scheme will be operational by September. But if there are any delays in this timetable the grant scheme, instead of stimulating demand, could seriously gum-up the peak autumn selling season. Inevitably, insulation is a highly seasonal business. At this time of year the manufacturers have to stockpile, not physically an easy matter because of its nature insulation (glass fibre blanket being the most popular form) is very bulky. About the middle of July the building materials and DIY trade starts to build up stocks. Then early in September the public begins buying, during a peak season which lasts until December.

Two problems threaten to upset this annual pattern. If the legislation for some reason fails to get through in July and has to wait until October, the public can be expected to hold back. Secondly, delays and congestion could occur when the local councils, which will carry out the administration, are faced with a flood of applications.

So if you are planning to insulate your loft before next winter you can either shop early and forfeit up to £50, or wait and risk getting trampled in the rush. If, however, you already have the formerly recommended one-inch lagging in your loft and wish to upgrade to the latest four-inch or 100mm standard there is no point in delaying. Since grants are only available for uninsulated houses, you won't qualify anyway.

Contributors:

Kathleen Bishtawi
William Scobie
Barry Riley
Hugh O'Shaughnessy

SUNDAY—Mr. A. Wedgwood Benn Energy Secretary, at Hamilton by-election meeting.

MONDAY—Negotiations between the European Community and Comecon opens in Moscow—the EEC will be represented by vice-president Hafkamp and Comecon by Mr. Nicolai Fadeev, secretary general. UK team in Oslo for talks on additional air services to and from Scandinavia by British Independent Airlines. National Association of Head Teachers Conference, Brighton.

TUESDAY—Prime Minister in India fourth auction.

WASHINGTON for two-day NATO summit meeting. Mr. Michael Foot, Lord President of the Council, at Hamilton by-election meeting.

Statement by Nigerian High Commission in Kensington, Palace Gardens, W.S. London Chamber of Commerce trade mission begins visit to Spain.

WEDNESDAY—Hamilton by-election. Public inquiry opens at County Hall, London, into the British Airport Authority's application for planning permission to build fourth Terminal at Heathrow.

THURSDAY—Prime Minister expected to discuss world trade with President Carter in Washington. Ban on sale of commodity options in the U.S. Commonwealth Development Corporation annual report.

FRIDAY—Prime Minister addresses United Nations conference. U.K. official reserves (May). Capital issues and redemption (May). National and Local Government Officers' Association special conference on pay policy, Central Hall, Westminster.

Economic Diary

NOW'S THE TIME TO BUY INTO AMERICA

And some other overseas markets. That's because we believe that at present they offer excellent value to the investor who's prepared to look ahead.

Although share prices in the USA have recently moved upwards they are still near their lowest point for well over two years. However, we believe that it is only a matter of time before prices recover, and when they do start to rise, they are likely to rise quickly.

Recent British interest in American shares suggests that we are not alone in thinking this.

A simple way to invest in these markets is by purchasing Midland Drayton International Units.

Worldwide Portfolio

This trust aims for capital growth from a diversified worldwide portfolio. Currently, 67% of the fund is invested in North America, 14% in the Far East, 5% in U.K. Internationals, and 4% in Europe.

Since its inception in December 1969, the offer price of Distribution Units has increased by 110% (as at 25th May 1978) compared with a rise of only 50% in the F.T. Actuaries All-Share Index over the same period.

The investment managers, Drayton Montagu Portfolio Management, believe that prospects for further growth are good, but unitholders should regard their investment as a long-term one.

At the offer price of 52.4p on 25th May 1978, the estimated gross yield was 23.47% p.a.

The price of units and the income from them can go down as well as up.

To buy units simply fill in the coupon and return it to us, or hand it in at any branch of Midland Bank, Clydesdale Bank or Northern Bank.

Midland Drayton International Unit Trust
A MIDLAND BANK GROUP UNIT TRUST

Application Form

To: Midland Bank Group Unit Trust Managers Limited, Courtwood House, Silver Street, Sheffield, S1 3BD. Tel. 0742-18842. Fax: 0742-18843. Reg. No. 53257, England.

I/We enclose a cheque payable to you for: £ (minimum £200)

for investment in Distribution Units [] Accumulation Units [] (tick which)

of Midland Drayton International Unit Trust at the price ruling on the day you receive this order.

(For your guidance, the offer price on Thursday, 25th May 1978 was: Distribution Units 52.4p, Accumulation Units 55.4p.)

Surname (Mr., Mrs., Miss)

Forenames in full

Address

Postcode Date

I/We declare that I/we are not resident outside the United Kingdom and that I/we are not acquiring the units as the beneficial owner of any percentage of shares in the company. (If you are unable to make this declaration it should be stated and the application lodged through a Bank, Solicitor or Solicitor in the United Kingdom.)

Signature (in the case of joint applicants, all must sign)

Please send me details of your Share Exchange Scheme [] Savings Plan [] (tick if this applies)

10

Running out of gas

California is facing what could be its most serious energy crisis to date—a shortage of natural gas. Within three years, unless additional supplies are found quickly, the nation's wealthiest state could be hit, as one gas company executive puts it, by "an economic earthquake."

The direct predictions are that between 700,000-800,000 Californians would be thrown out of work costing \$33m in lost wages, alone, and that 200,000 small businesses now relying on gas would be crippled.

Environmental groups dismiss this as power company propaganda. But the administration of Governor Jerry Brown warns that as California's traditional sources of gas in Texas and the mid-West dry up the danger is real enough.

The answer, almost everyone agrees, is the building of a huge liquefied natural gas terminal off the Southern Californian coast to handle imports of LNG from Indonesia and Alaska.

have found it: Camp Pendleton, a vast Marine Corps base some 80 miles south of Los Angeles, where miles of virgin beachfront, off-limits to the public, lie empty in the sun.

Like every other community in California faced with the prospect of an LNG terminal in its backyard, the military strongly objects. Navy and Marine Corps brass have declared war on the Coastal Commission. The terminal—bringing risks of spills, pollution, even a catastrophic explosion—would be, they protest, a danger to troops, a maritime hazard interfering with manoeuvres, a threat to the base's ecology "which for many years we have been diligently preserved."

From an original list of 82 possible sites along the 1,100 mile California coast, five have survived the bureaucratic, environmental mill. That short list does not include Los Angeles harbour, the first choice of the gas companies involved.

Although LA's city fathers agreed to lease land for the 100-acre terminal more than a year ago, vehement protests from homeowners led to state intervention. The explosion of an oil tanker, the *Sossinena*, killing 30 and injuring 50 in the

harbour in December, 1976, added force to the campaign of opposition. Legislation banning LNG terminals near populated areas was passed. Both Los Angeles and the next most favoured site, at Oxnard, 60 miles to the north, were ruled out.

The process of elimination begun by the legislature next made Point Conception—a barren headland known as "Cape Horn of the Pacific" to navigators—the leading candidate. But no, said environmental bodies: a wilderness and a "classic surfing area" would be destroyed, and the terminal would be menaced by an earthquake fault. ("What isn't in California?" grumbled a gas company official).

Similar objections were raised to all the alternative sites: Bartlesville Canyon, halfway between LA and San Francisco, was too close to a nuclear plant; Deer Canyon, farther south, adjoined two State Parks; Las Varas, near Santa Barbara, had state parks, an angry, if small, populace, and an earthquake hazard.

The problem is older than the Brown administration, on which many Californians blame the delays and confusion. The state's two big gas companies, Pacific Gas and Electric and Southern California Gas, began

planning—and pushing forward—terminals in the late 1960s. But the politics of energy, as practised in California, stalled all progress. Today, in mid-1978, the projected start-up date of any facility at Pendleton is 1983; that of a terminal at Point Conception, 1982.

The licensing process—130 federal, state and local permits required—could take more than three years. Given the political and bureaucratic tug-of-war over the terminal's siting, it almost certainly will. All this, the gas companies complain, when studies indicate that the chances of an accident are remote—millions to one.

Environmentalists are not satisfied. They point out that there has already been one major LNG disaster: in 1944, 2m gallons spilled from a ruptured tank, forming a cloud over the city of Cleveland, killing 128 people. But that is the one major black mark on the record of this deep-frozen (-260°F), condensed and easily transportable energy source.

But safe or unsafe, LNG is coming, somehow, somewhere, to this most gas-dependent society in the world, where natural gas heats 92 per cent of homes, warms water in 92 per cent and cooks the food in

75 per cent. The Brown administration sees the construction of the tanker terminal and pipeline complex as inevitable, not to mention vital to Mr. Brown's political future.

A recession resulting from an energy shortage which could be blamed on the Governor and his no-growth, or low, growth, Energy Commission would destroy him politically. His hopes of a run for the White House in 1980 would be blasted, and his campaign to boost solar power over nuclear—today, nuclear development is at a standstill in California—would be largely discredited.

That is why Mr. Brown was listening very carefully indeed during his recent conferences with Mr. Robert Anderson, chairman of Atlantic Richfield Oil Co., and one of the most powerful corporate leaders in the country, who was giving his view of the state's future energy needs. That is why the Governor has been so assiduously courting Mexican and Canadian leaders for their natural gas, to fill the gap until the LNG can be brought in. And that is why his environmental allies are being told to cool their protests over every suggestion for a terminal site.

Mr. Brown is a politician first, an environmentalist second.

WALL STREET + OVERSEAS MARKETS + CROSSING PRICES

Further small losses: off 3.72

BY OUR WALL STREET CORRESPONDENT

FURTHER SMALL losses were recorded in moderate pre-holiday trading on Wall Street today. Reflecting concern about higher inflation and rising interest rates, the Dow Jones Industrial Average shed another 3.72 to 821.69, making a loss of 13.10 on the week. The NYSE All Common Index, at 334.14, dipped 10 cents on the day and 81 cents on the week, while declines led gains by 529 to 388. Trading volume, however, fell a further 7m shares to 21.41m.

Analysts noted there was little pressure behind the selling, evidenced by the low volume and that a true sense of the market's direction would be known until next week when investors return from the Memorial Day weekend.

However, analysts noted the quarter-point rise in the prime rate to 8 1/8 per cent posted by the

number of leading banks beginning last night and continued worries about inflation would have depressing effect.

The Commerce Department reported the April Trade Deficit widened to a seasonally adjusted \$2.86bn from a revised \$2.79bn deficit in March.

American Motors were active again but unchanged at \$31.11, with prices about 1.2 per cent on cars and 1.7 per cent on jeeps.

General Electric slipped \$1 to \$22.25, raising its dividend. The AMERICAN SE Market Value Index gained 0.33 to 143.30, reducing its loss on the week to 0.26. Volume slipped to 326m 13.74m shares.

OTHER MARKETS

CANADA generally mixed in active trading yesterday, with the Toronto Composite Index off nearly one point at 1,122.55. The Oil and Gas Index lost 2.9 to 1,355.4, Utilities 0.88 to 171.72, and the Industrial Index 0.12 to 1,122.55. Gold rose 3.7 to 1,776.0. Metals and Minerals firmed 0.1 to 976.3. Banks put on 1.05 to 273.89. PARIS-French shares higher

Indices

NEW YORK DOW JONES

	1966										Since completion			
	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	High	Low	High	Low
Temperature	83.68	93.51	95.72	94.29	95.42	94.22	94.65	89.87	87	87	69.12	100.17	61.22	71.22
Humidity (%)	49	98.23	69.13	28.81	68.81	69.47	69.47	50.79	48.29	48.29	38.29	111.17	127.65	48.29
Wind speed	224.70	224.14	224.64	227.80	251.30	229.16	251.30	225.01	11.17	11.17	18.81	27.70	13.85	13.85
Wind direction	104.26	104.33	104.83	104.26	104.87	104.26	110.16	104.26	11.17	11.17	18.81	168.82	13.85	13.85
Wind speed	214.12	254.33	254.33	255.20	27.70	24.86	24.86							

<p>Large Lumber Companies (M51) 65 12401 Kuala Lumpur Plantations (100) 13950 Malacca Investments (100) 714 Mangrove Rubber (100) 500 Mangrove Rubber (M.S.) Rubber Estate (100) 18 4 23125 plantation Hubs, (100) 7310 21 26151 18 4 23125 Sungei Kran Rubber estate (100) 80 (23125)</p>	<p>Shipping (38) British Commonwealth, Sngp. 1500: 280 225 81 Caledonia line, 1250: 2290 (2515) Common Brothers 1800: 1250 2515 Flinders Line 500: 1315 (2515) Forness Wight 2740 68 Grain Shipping 143 22 31 Hunting Green 138 22 31 Kronprinsen, Frederik 1250 31 Live Shipping 2250 12110 42 23125 London 48 23125 Mackay's Liners 2000 5140 42 23125 Mackay's Trading 1000 5140 42 23125 41 51 Pacifica Oriental Steam Navigation Ltd. 5000 6 5 414, Steam Dtd. 8810 Randolph Line 1500: 70 122 51 5000 25 23125 Rummen Waterway 2300 10810 Sea Line 110 512 3 23125</p>	<p>TEA (7) Assam Frontier Hides, 303 23125 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31 Ceylon Hides, 175 125 31</p>	<p>TRAMWAYS & OMNIBUSES Anglo-Australian Tramways (100) 14 23125 100 15 123 61</p>	<p>WATERWAYS (10) British 48 23125 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100</p>	<p>MAINTENANCE British 48 23125 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100 Caledonia 100 100 100</p>
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TREASURY BILL RATES																			
Treasury bill rate rises																			
<p>Bank of England Minimum Lending Rate 9 per cent (since May 12, 1978)</p> <p>The Treasury bill rate rose by 0.0001 to 9.4535 per cent at yesterday's tender and under the old market related formula, which was terminated on Thursday, would have indicated an MLR of 9 per cent. The minimum accepted bid was \$27.584, which was unchanged from the previous week and bids at that level were up to as about 92 per cent. The \$500m bills tendered and allotted attracted bids of \$71.21m and all bills offered were allotted. Next week \$400m. will be on offer replacing maturities of \$400m.</p> <p>Day to day credit was in very short supply and the authorities have an exceptionally large amount of assistance by buying a large amount of Treasury bill Treasury discount houses and a small amount of local authority bills. This was in addition to a large number of eligible bank bills. Part of the bill bought are for resale at a future date and indications pointed towards the assistance being slightly overdone.</p> <p>The market was faced with run down bank balances and a substantial rise in the note circulation ahead of the long week-end.</p>				<p>There was also money to be found in respect of gilt-edged stocks sold on Thursday. On the other hand there was a net amount of maturing Treasury bills outside official hands.</p> <p>Discount houses paid around 7 per cent for secured call loans, but clearing balances were taken anywhere between 8 per cent and 9 per cent. In the interbank market, overnight loans opened at 8.81 per cent and reached 8.41 per cent at around noon. However, rates firmed towards the close to 10.11 per cent.</p> <p>Rates in the table below are nominal in some cases.</p>															
SPECIAL LIST																			
Business done in securities quoted in the Monthly Supplement.																			
MAY 26 (NU)																			
MAY 25 (NU)																			
MAY 24 (NU)																			
MAY 23 (NU)																			
MAY 22 (NU)																			
RULE 163 (1) (e)																			
Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.																			
MAY 26																			
<p>Admiral Shares 18</p> <p>Central Pac. 193</p> <p>American Airlines US 124</p> <p>Amoco Pet. 181</p> <p>Aust. Oil Gas 50 1/4</p> <p>Bank of Montreal 24 1/2</p> <p>BH South Sea 9</p> <p>Canada Inc US 24 1/2</p> <p>South Pac. 149</p> <p>Standard Oil 22 1/2</p> <p>Continental 21 1/2</p> <p>Boysenium Ship 21 1/2</p> <p>Boysenium Copper 125 1/2 US 1 57 1/2</p> <p>Bank of Montreal 24 1/2</p> <p>Canada Inc US 24 1/2</p> <p>South Pac. 149</p> <p>Standard Oil 22 1/2</p> <p>Continental 21 1/2</p> <p>Boysenium Ship 21 1/2</p> <p>Boysenium Copper 125 1/2 US 1 57 1/2</p>																			
<p>Local authorities and finance houses seven days' notice, others 90 days' fixed. Long-term local authority mortgage rate nominally three years 11 1/4 per cent; four years 12 1/4 per cent; five years 12 1/2 per cent. 4 Bank bill rates in table are nominal rates for 90 days' notice. Borneo rates for four months bank bills 8 1/2-9 1/4 per cent; four-month trade bills 8 1/4 per cent. Approximate selling rates for one-month bank bills 8 1/2-8 3/4 per cent; and two-month 8 1/2 per cent; and three-month 8 1/2-8 3/4 per cent. Approximate trading bills 8 per cent; two-month 9 1/4 per cent; and also three-month 9 1/4 per cent.</p> <p>Finance House Base Rates (established by the Finance House Association 7 1/2 per cent from May 1, 1978) Clearing Bank Deposit Rates (for small sums at seven days' notice) 8 per cent. Clearing Bank Base Rates for lending 9 per cent. Treasury Bill Average tender rates of discount 8.4535pc.</p>																			
May 26 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Authority mortgage bills	Finance House Deposits	Company Deposits	Discount	Three-month Bill	Eligible Bank Bill	Five Year	Five Year								
Overnight.....	—	8 1/4-11	—	8 1/4-8 1/2	—	8 1/2	8 1/2-9	—	—	—	—								
1 days notice.....	—	—	—	—	—	—	—	—	—	—	—								
7 days notice.....	—	8 1/4-8 1/2	8 1/2-8 1/2	8 1/2-8 1/2	8 1/2-9	8 1/2	7 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
One month.....	9-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2	8 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
Two months.....	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2	8 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
Three months.....	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2	8 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
One month.....	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2	8 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
Two months.....	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2-9 1/2	9 1/2	8 1/2-8 1/2	8 1/2	8 1/2	8 1/2	8 1/2								
Three months.....	9 1/2-9 1/2	9 1/2-9 1/																	

EXCHANGES AND DELIVER										FOREIGN EXCHANGES			
Activity in yesterday's foreign exchange market remained at a fairly low level ahead of the long weekend. Sterling opened at \$18.120-18.130 and in thin trading conditions, eased to \$18.093-18.095 before recovering to \$18.130-18.140. The pound owed some of its later improvement to the easing in the U.S. dollar but with a generally firmer trend in U.S. interest rates and uncertainty surrounding the timing of a UK general election, the pound closed 10 points easier at \$18.178-18.180. United Bank of London figures, the pound's traded weight index fell to 61.4 from 61.3.										U.S. trade figures had largely been discounted and although encouraging, the effect was more countered by a 1 per cent increase to 81 per cent in the prime lending rate of some leading U.S. banks. Business remained subdued with U.S. markets closed on Tuesday. On Morris Guaranty figures, the dollar's trade weighted average depreciation at noon in New York, widened to 5.04 per cent from 4.85 per cent. Elsewhere the Canadian dollar showed an improvement to 89.76¢ U.S. cent, while the Australian dollar on Thursday, Gold improved 81 an ounce to \$1794-1795 in generally featureless trading.			
										Market Rates			
										May 28	Bank Rate	Day's Spread	Close
										New York	7	1.0085-1.0100	1.0100-1.0100
										London	10	2.0180-2.0210	2.0190-2.0190
										Amsterdam	4	4.103-4.112	4.114-4.121
										Brussels	33	33.00-33.00	33.00-33.00
										Copenhagen	16	16.032-16.054	16.044-16.055
										Frankfurt	3	3.855-3.865	3.863-3.865
										Hamburg	33	33.00-33.00	33.00-33.00
										Moscow	148	148.00-147.00	148.00-147.00
										Paris	174	174.00-173.50	174.00-173.50
										Rome	36	36.00-36.00	36.00-36.00
										Sao Paulo	8	8.42-8.48	8.44-8.48
										Stockholm	13	13.00-13.00	13.00-13.00
										Tokyo	140	140.00-140.00	140.00-140.00
										Vienna	34	34.00-34.00	34.00-34.00
										Zurich	70	70.00-70.00	70.00-70.00
										2 Rate given for convertible francs. Financial Times 6-10-69-29.			

[illegible]

Account Dealings Dates

Option	Dealings	Last Account
*First Declara-	Dealings	Dealings Day
May 15	May 25	May 26
May 20	Jun. 5	Jun. 9
Jun. 12	Jun. 22	Jun. 23
Jul. 4		

* "New time" dealings may take place from 9.30 a.m. two business days earlier. Electors are following the Liberal withdrawal of their poet with the Government at the end of the current Parliamentary session restrained investment interest in stock markets yesterday.

In another quiet day in the investment currency market, the premium shed 4 more to end the week with a loss of two points trade. Yesterday's conversion factor was 0.6813 (0.6807).

Another reasonable turnover ended in the Eurotherm International (London) up on 4 more to 320p. Cope Sportsware gave up 4 to 84p and Lee Cooper declined 5 to 135p.

Howden down again

Still unsettled by Thursday's surprise announcement of a proposed £26m rights issue, Alexander

level of 145p, after having risen 8 over the previous two sessions in response to the chairman's optimistic remarks on current trade. British Home declined 5 to 195p and Gussies "A" shed 4 to 274p. Elsewhere, still drawing strength from the chairman's 550p, initially being led to figure a harder up balance at 274p. Elsewhere, J. Dykes came to late casualty at 261p, down 4, following the profits setback and the omission of a final dividend. Carayana International gave up 3 to 72p, for a reaction speculative 8) after the chairman's warning that second-half profits will not

264p respectively, while Pilkington shed 3 to 475p at end Boots, to 193p. Still disappointed by the absence of share-slimming proposals with Thursday's satisfactory result, Beecman eased to 550p, initially being led to figure a harder up balance at 274p. Elsewhere, J. Dykes came to late casualty at 261p, down 4, following the profits setback and the omission of a final dividend. Carayana International gave up 3 to 72p, for a reaction speculative 8) after the chairman's warning that second-half profits will not

and planned return of capital.

English Property rose 7 to 48p, after 51p, on news that discussions are taking place that might lead to an offer for the company by a firm named "Preston". The 61p unit Convertible closed 16 points higher at £108. Initially stimulated by the bid approach, Properties eased later, but selected secondary issues held sympathetic improvements. Bernard

decline of 25 to 245p in old speculative favourite Castlefield Guthrie hardened 3 at 305p; the results are due to be announced on June 8.

Northern Mining soar

The current strength in Australian Mines continued to centre on Northern Mining; the shares which were changing hands at a couple of months ago, touched a peak of 153p on a flurry of speculative demand as a flurry of ket. The 25p up for a gain the week of 48 at 332p. The

For gains of 5 in stockjobbers Akroyd and Smithers at 225p and Dalsely at 273p.

Shippings rarely moved far from the previous day's closing levels, but small buying led Reardon Smith 3 harder at 73p and Hamble Gibson & higher at 134p.

Courtaulds continued firm in Textile, rising another 12p to 209p. Our brief comment on the preliminary figures. Of the isolated dull spots, Carrington Vissella eased 1p to 38p and Parkland Textile "A" two to 79p. BAT Industries deferred another two to 209p, otherwise quietly firm.

Tobacco.

Placements were notable for a

Mines index another 0.5 down at 182.4 (leaving it a net 0.8 off on the week.

Coppers continued to respond to the upsurge in the metal prices following the fighting in Zaire, which resulted in severe damages to the Kolwezi mines. Minorocres and Messina were both 4 better at 40p. Also signs of 18p and 16p respectively.

Elsewhere, Rio Tinto-Zinc put on 4 more to a 1978 high of 222p reflecting its 72.6 per cent holding in Cominc Rotorindo and the firmer copper price which outweighed the news that a fire had stopped production at Rossing Uranium in Namibia.

OPTIONS

DEALING DATES

First Last Declared Settling	First Last Declared Settling
May 23 Jun 6 Aug 17 Sep 30	May 23 Jun 6 Aug 17 Sep 30
May 7 Jun 20 Aug 31 Sep 14	May 7 Jun 20 Aug 31 Sep 14
May 30 Jun 4 Sep 14 Sep 28	May 30 Jun 4 Sep 14 Sep 28

For rate indications see end of Share Information Service

Money was given for the call in

William Press, Isibex, London, Brick, UDT, A Monk, Easton, A Bush, Oil, Pacific, Copper, Con, Gold Fields, Land, broke and Dawson International, while doubles were arranged in Pacific Copper, English Property, Parings, A Monk, William Presses and Avana. A short-dated call was transacted in Metal Exploration

Financial and Property	128	97	318	447	59	1,553
Life	5	3	24	69	59	181
Plantations	4	4	23	28	28	181
Mines	29	45	38	179	23	227
Recent	2	5	38	19	23	181
Totals	408	638	1,375	2,362	2,734	4,823

SHARE INDICES

Indices, the Institute of Actuaries and the Faculty of Actuaries

SHARE INDICES

Prices, the Institute of Actuaries and the Faculty of Actuaries

No. by S	Mon. May 22	Year ago (1971)	Highs and Lows Index			
			1978		Since Completion	
			High	Low	High	Low
16	210.47	181.16	214.97 (15/5)	188.95 (2/3)	228.03 (14/7/77)	50.71 (13/12/74)
40	188.77	150.89	197.86 (4/1)	166.30 (3/3)	233.84 (2/5/72)	44.27 (11/12/74)
17	136.05	255.64	350.75 (4/1)	289.35 (4/3)	309.53 (19/5/72)	71.48 (2/12/74)
18	315.75	233.46	464.54 (1/1)	441.47 (2/3)	483.69 (23/10/77)	84.71 (25/4/68)
19	167.37	133.57	232.76 (3/5)	271.85 (4/3)	332.22 (13/1/77)	64.39 (12/7/75)
18	169.94	144.41	172.61 (18/5)	149.87 (2/3)	187.45 (14/7/77)	45.43 (4/7/75)
17	163.02	133.57	171.55 (12/5)	154.22 (2/2)	171.41 (27/4/72)	49.65 (4/7/75)
20	193.29	167.85	198.78 (15/5)	173.63 (3/3)	227.78 (12/1/74)	38.39 (4/1/75)
20	221.24	181.16	221.24 (15/5)	181.16 (2/3)	221.24 (15/5)	181.16 (2/3)

26	124.65	164.94	184.33	194.54	16.3	263.52	165.72	6.55	(61/72)	
27	126.42	112.82	127.85	(13/15)	104.68	(23)	170.59	(15/17)	19.91	(61/72)
31	199.73	168.51	307.45	(12/15)	197.46	(23)	226.01	(161/72)	62.41	(132/72)
32	199.73	168.51	307.45	(12/15)	197.46	(23)	226.01	(161/72)	62.41	(132/72)
33	254.96	216.51	265.10	(21/25)	219.65	(23)	281.67	(183/72)	86.47	(132/72)
34	254.96	216.51	265.10	(21/25)	219.65	(23)	281.67	(183/72)	86.47	(132/72)
40	107.73	174.69	203.38	(6/1)	175.53	(23)	214.63	(121/72)	59.67	(112/72)
41	197.28	173.63	223.22	(6/1)	176.57	(23)	244.1	(210/72)	54.25	(112/72)
46	377.22	382.28	383.43	(17/15)	386.99	(23)	394.43	(175/78)	53.08	(60/75)
47	377.22	382.28	383.43	(17/15)	386.99	(23)	394.43	(175/78)	53.08	(60/75)
53	177.54	184.33	197.45	(6/1)	165.17	(23)	204.36	(159/72)	43.46	(61/72)
57	182.14	199.73	191.90	(25/18)	210.85	(23)	235.72	(172/72)	62.66	(121/72)
58	257.14	221.77	262.18	(18/15)	216.48	(15/12)	339.16	(218/72)	94.34	(131/62)
59	104.25	162.02	108.61	(25/15)	93.79	(17/12)	135.72	(161/78)	59.63	(131/72)
60	104.25	162.02	108.61	(25/15)	93.79	(17/12)	135.72	(161/78)	59.63	(131/72)
61	247.12	249.76	255.12	(26/15)	228.41	(17/12)	233.70	(197/78)	58.62	(61/75)
62	256.67	0.00	262.96	(6/1)	228.41	(17/12)	262.96	(161/78)	228.41	(53/78)
63	136.62	105.19	139.21	(25/15)	112.48	(17/12)	246.06	(171/72)	63.34	(21/75)
64	204.15	208.88	483.01	(6/1)	196.54	(17/12)	539.68	(185/77)	31.80	(80/72)
65	204.15	208.88	483.01	(6/1)	196.54	(17/12)	539.68	(185/77)	31.80	(80/72)
67	207.47	217.81	212.76	(25/15)	198.02	(23)	255.83	(157/72)	60.39	(61/75)
68	207.47	217.81	212.76	(25/15)	198.02	(23)	255.83	(157/72)	60.39	(61/75)
69	499.78	501.37	501.37	(17/12)	417.98	(23)	543.20	(159/77)	29.01	(61/72)
70	231.30	206.43	236.59	(15/15)	205.42	(23)	288.32	(149/77)	63.49	(131/72)
71	161.63	137.31	178.96	(6/1)	153.85	(21/12)	241.41	(141/72)	55.65	(131/72)
72	198.98	159.55	234.06	(23/1)	178.28	(21/12)	288.32	(201/72)	62.44	(132/72)

[illegible]

OFFSHORE AND OVERSEAS FUNDS

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NOTES

Prior to the start of the year-end period, it was expected that the Government would announce a new package of measures to support the economy. However, no such announcement has been made yet. It is expected that the Government will announce a new package of measures to support the economy in the near future.

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INSURANCE RATES

Property Growth	91%
Vanburgh Guaranteed	84%

Adds shown under Insurance and Property Rates Table.



Stock	Price	+ or -	Div %	Yield
-------	-------	--------	-------	-------

ENGINEERING—Continued

6	Finder Line 500	8	-1	-	-
20	Firth GMD 10p	26	+1	+4.03	0.9
52	Floodgate 20p	52	-13	+3.32	2.7

(Miscel.)

[illegible][illegible]

74	62	Robinson (Thos)	73	...	3.38	3.4	7
130	104	Rotark 10p	124	...	d2 37	7.2	2
43	44	Sanborn, Wm	64	...	1.38	1.3	10

[illegible]

17 1/2	12 1/2	Whewy Wm. Sp	16	10.8	2.4	7.6
132	22 1/2	Whitehouse 50p	89ml	22.29	0	39

[illegible]

33	29	Bentley & Co.	30 1/2	..	0.51	7.5	2.6
49 1/2	43 1/2	Brooke Bond	45	- 1/2	+2.76	3.3	9.3
58	48	Cadbury Sch's	51	.	3.04	1.9	9.0

34	19	19	French Thos top	10	43	60	50
35	20	20	Goodland Jack	11	23	39	52
36	21	21	G.R. Hedges	42	55	48	50
37	22	22	Gottestner A	197	195	19	50
38	23	23	Grubbs Dudley	131	255	36	50
39	24	24	Gibbons	169	169	7	50
40	25	25	Gieves Group	87	447	34	50
41	26	26	Gillipatt Top	64	1204	29	50
42	27	27	Glenwood	100	100	10	50
43	28	28	Glassco Sp	585	210.27	47	50
44	29	29	Gouge Photo top	402	254	19	50
45	30	30	Graham	25	25	1	50
46	31	31	Graham Hds	70	2	82	25
47	32	32	Grimpin Hds	57	199	10	50
48	33	33	Grimstad A	194	194	26	50
49	34	34	Grimstad B	200	100	26	50
50	35	35	Gruebel Gp Sp	26	3	27	63
51	36	36	Halann Sengf top	272	20.26	92	15
52	37	37	Hall	69	10	49	15
53	38	38	Hansbuehl	67	10	66	15
54	39	39	Hannux C. Tr.	145	-1	41	53
55	40	40	Hannux C. Tr.	145	6.28	25	68
56	41	41	Hart	67	25	68	15
57	42	42	Hartman	67	25	68	15
58	43	43	Hartman	67	25	68	15
59	44	44	Harris-Pop	57	23.2	21	18
60	45	45	Harris-Pop	57	3.89	25	87
61	46	46	Harris & Shofco	60	2.97	21	62
62	47	47	Harris & Shofco	60	3.99	21	62
63	48	48	Hawkins	11			-11

47	22	Storgan Fds 10p	44	\$1.91		
78	55	Morris' m W 10p	77	hrd 0.75	7.5	1.5
95	77	Northern Foods	89	b3 21	3.8	3.8

119	96	16.99	13.11	7.4	4.8
118	96	16.99	13.11	7.4	4.8
117	96	16.99	13.11	7.4	4.8
116	96	16.99	13.11	7.4	4.8
115	96	16.99	13.11	7.4	4.8
114	96	16.99	13.11	7.4	4.8
113	96	16.99	13.11	7.4	4.8
112	96	16.99	13.11	7.4	4.8
111	96	16.99	13.11	7.4	4.8
110	96	16.99	13.11	7.4	4.8
109	96	16.99	13.11	7.4	4.8
108	96	16.99	13.11	7.4	4.8
107	96	16.99	13.11	7.4	4.8
106	96	16.99	13.11	7.4	4.8
105	96	16.99	13.11	7.4	4.8
104	96	16.99	13.11	7.4	4.8
103	96	16.99	13.11	7.4	4.8
102	96	16.99	13.11	7.4	4.8
101	96	16.99	13.11	7.4	4.8
100	96	16.99	13.11	7.4	4.8
99	96	16.99	13.11	7.4	4.8
98	96	16.99	13.11	7.4	4.8
97	96	16.99	13.11	7.4	4.8
96	96	16.99	13.11	7.4	4.8
95	96	16.99	13.11	7.4	4.8
94	96	16.99	13.11	7.4	4.8
93	96	16.99	13.11	7.4	4.8
92	96	16.99	13.11	7.4	4.8
91	96	16.99	13.11	7.4	4.8
90	96	16.99	13.11	7.4	4.8
89	96	16.99	13.11	7.4	4.8
88	96	16.99	13.11	7.4	4.8
87	96	16.99	13.11	7.4	4.8
86	96	16.99	13.11	7.4	4.8
85	96	16.99	13.11	7.4	4.8
84	96	16.99	13.11	7.4	4.8
83	96	16.99	13.11	7.4	4.8
82	96	16.99	13.11	7.4	4.8
81	96	16.99	13.11	7.4	4.8
80	96	16.99	13.11	7.4	4.8
79	96	16.99	13.11	7.4	4.8
78	96	16.99	13.11	7.4	4.8
77	96	16.99	13.11	7.4	4.8
76	96	16.99	13.11	7.4	4.8
75	96	16.99	13.11	7.4	4.8
74	96	16.99	13.11	7.4	4.8
73	96	16.99	13.11	7.4	4.8
72	96	16.99	13.11	7.4	4.8
71	96	16.99	13.11	7.4	4.8
70	96	16.99	13.11	7.4	4.8
69	96	16.99	13.11	7.4	4.8
68	96	16.99	13.11	7.4	4.8
67	96	16.99	13.11	7.4	4.8
66	96	16.99	13.11	7.4	4.8
65	96	16.99	13.11	7.4	4.8
64	96	16.99	13.11	7.4	4.8
63	96	16.99	13.11	7.4	4.8
62	96	16.99	13.11	7.4	4.8
61	96	16.99	13.11	7.4	4.8
60	96	16.99	13.11	7.4	4.8
59	96	16.99	13.11	7.4	4.8
58	96	16.99	13.11	7.4	4.8
57	96	16.99	13.11	7.4	4.8
56	96	16.99	13.11	7.4	4.8
55	96	16.99	13.11	7.4	4.8
54	96	16.99	13.11	7.4	4.8
53	96	16.99	13.11	7.4	4.8
52	96	16.99	13.11	7.4	4.8
51	96	16.99	13.11	7.4	4.8
50	96	16.99	13.11	7.4	4.8
49	96	16.99	13.11	7.4	4.8
48	96	16.99	13.11	7.4	4.8
47	96	16.99	13.11	7.4	4.8
46	96	16.99	13.11	7.4	4.8

375	Johnson Mtry El	440	12.38	4.9
32	Jourdan T, 10p	39	2.89	2.71

08	31	28	Kalmarzon 10p	30	1.95	1.8	9.8	8.6
01	118	92	Kalver Lnds	181	3.23	7.7	4.9	4.0
0	31	23	Kennedy Sm 10p	29	4.58	2.3	8.3	8.1
0	£105	900	Kershaw A 15p	975	15.9	2.0	2.5	24.5
0	75	64	Klein E Ze Hlds	72	3.82	2.2	8.2	8.3
30	95	77	L.P. Hlds	93	-1	14.36	2.2	7.1

INDUSTRIALS—Continued

[illegible]**INSURANCE—Continued**[illegible]**PROPERTY—Continued**[illegible]**INV. TRUSTS—Continued**[illegible]**NANCE, LAND—Continued**[illegible]

[illegible]

Chestertons

MINES—Continued

Stock	Price	+ or -	Drs Net	Cvt	Yld
Falco Rk 54c	175	-7	050c	132	22
Rind n Corp 16 1/2 p.	15		0 50	7.1	5.1
Boon Vm 84	75				
Tanganyika 50p	175	-13	0110	11	e
Do. Pref 80 1/2	85	-5	0 00	164	8
Wankor Cof Rk 1	35		10 1/2	14	18
Zam Cof Silver 1	16				

AUSTRALIAN
(3cm x 25c) 15 1-2

Blue Canyon 50' to 100'	132	-6	Q8c	14	3	1
Blue South 50'	101	-2	---	---	---	---
Cocaine Puncture 50'	244	-1	Q10c	22	2	1
C.M. Kalkreuth 50'	135	---	---	---	---	---
Hampden 50'	93	---	---	145	41	1
Metz 50'	40	-3	---	---	---	---
M. M. Hinge 50'	215	-5	Q9c	17	2	1
Mount Level 25'	32	-5	---	---	---	---
Newmetal 10'	5	-14	---	---	---	---
North B. Hills 50'	116	-1	Q8c	15	4	1
Old Salazar	142	-2	---	---	---	---
Palmdale 10'	152	---	Q11c	19	4	1
Pacific Copper	47	-4	---	---	---	---
Pancoat 13'	1134	---	---	---	---	---
Parkna M&E 50'	29	-14	---	---	---	---
Poke-Wall-end 50'	495	---	Q12c	40	1	1
Weston Strong 50'	130	-1	Q9bc	14	2	1
Whim Creek 20'	65	-5	---	---	---	---

Amal Niceria ..	2
Ayer Hitam SMI...	34

[illegible]

[Messino RD.50.....] 9

MISCELLANEOUS					
Burma Mines 17½p	16	...	—	—	—
Coca. March 10c	240	...	Q30c	2½	7.5
Northgate CSJ ..	350	...	—	—	—
R.T.Z.	222	+4	95	2.8	6.5
Sabina Inds CSJ ..	40	-2	—	—	—
Tara Exptn \$1	£10½	—	—	—
Telusdy Minerals 10p	45	1.33	¢	45

NOTES

Unless otherwise indicated, prices and net dividends are in U.S. dollars. Dividends are in U.S. dollars. Dividends are based on latest annual reports and accounts available. Dividends are updated on half-yearly figures. P/E ratios are based on the net distribution; bracketed figures indicate a 10% or more difference if calculated on "all-in" basis. Dividends are based on "maximum" distributions. Dividends are based on inside prices, are gross, adjusted to ACT of 1963, and allow for value of declared distributions and dividends with deductions other than sterling are based on the investment dollar premium.

and Lows marked thus have been adjusted to allow

issues for cash
 since increased or resumed
 since reduced, passed or deferred,
 to non-residents on application,
 or report as aited.
 security
 time of suspension,
 dividend after pending scrip and or rights issues
 late to previous dividend or forecast.
 Stamp Duty.
 of dividend or reorganisation in progress.
 payable
 interim, reduced final and or reduced earnings
 dividend, cover on earnings updated by latest
 statement.
 allows for conversion of shares not now ranking for
 is or ranking only for restricted dividend.
 does not rank for shares which may also rank for
 future date. No P.E. must usually provided,
 a final dividend declaration.

b Figures based on prospectus or other official
c Cents. **d** Dividend rate paid or payable on part
 cover based on dividend or full capital

[illegible]

t Issues " and " Rights " Page 22

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REGIONAL MARKETS

20p	23	Sheff Refrshmt.	52
45	45	Sindal (Wm. L.)	85
22	22			
50p	270	-2			
22	22			
£1	420			
A	34			
3	63			
0p	57			

IRISH					
			Conv. 5% '80/82	£904	-1½
			Alliance Gas	680	

50	...	Clondalkin	93	-3
121	...	Concrete Prods	130	-3
145	...	Heaton (Hids)	41	...

W.	82m	Ins Corp	148	
L.	150	Irish Repres.	120	
Sp.	263	Jacob	67	
South	55	Sunbeam.	33	
L.	155d	T N G	170	-10
	20	Undare	90	
Jack	46x			

Options

1-month Call Rates

62	I.C.I.	20	Tube Invest.	35
18	"Imps"	6	Unilever	30
9	I.C.I.	20	Udd. Drapery	75
9	Inveresk	8	Vickers	15
21	NCA	3	Woolworths	5
25	Ladbroke	17		
35	Legal & Gen.	14	Property	
15	Life Service	7	Brit. Land	31
16	Lloyds Bank	22	Cap. Counties	41
16	"Lofts"	4	E.P.	5

12	Lucas Inds	25	Land Serv	16
5	Lyons (J)	10	MEPC	12
10	Marns	7	Peachey	8
			Samuel Brown	3

8	Mirks & Spencer	10	Town & City	14
15	Midland Bank	25		
7	N.E.I.	22	Oils	
11	Nat. West Bank	22		
14	Do Warrants	10	Brit. Petroleum	45
17	P & O Ltd.	8	Burmah Oil	5
18	Playes	8	Charterhall	3
40	R.H.M.	8	Shell	28
9	Rank Org. 'A'	18	Ultramar	20

22	Tesco	4	Charter Cons.	12
20	Thorn	22	Cons. Gold	14
12	Trust Houses	15	Emp. T. Time	16

tion of Options traded is given on the
London Stock Exchange Report page

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MAN OF THE WEEK
An offer he might not refuse
BY KEVIN DONE

THE TRANSFER of control of Albright and Wilson, Britain's second largest chemicals company, to the U.S. has been on the cards for several years. But if Tenneco's move this week for outright control succeeds, it will leave the British-owned chemical industry, with the notable exception of ICI, even more bereft of companies of top international status.



David Livingstone
Deciding the price of success

other members of the Board resigned in 1980. The staff was rapidly losing confidence in the company leadership following its pursuit of two major expansions in Canada which were going awfully wrong, one for commercial and one for technical reasons.

Manager

Five new directors were brought on to the Board to try to pick up the pieces. They included two members of the present Board, David Livingstone, now managing director and deputy chairman, and Tony Ward, finance director. David Livingstone has been with the company since 1960. He joined the Birmingham-based phosphorus chemicals company from the Navy in 1949, armed with an art degree from Oxford. He started out as a generalist, then moved to become a specialist in technical matters. He was the Albright director responsible for the sale of their Canadian operations in 1974, the sale of the very large phosphorus plant in the wastes of New Zealand and the takeover of the Canadian Fertiliser.

Crisis

Referring to the low Harbour project he now says: "It was horrendous, everything went wrong. We didn't have enough cash. We couldn't afford to run it, but we couldn't afford to kill it, because that would have meant paying off \$40m of debt if we had closed it. The financial crisis was only solved when Tenneco stepped in with a convertible loan of \$17m.

Postmen reject 5p Christmas mail
BY PHILIP BASSETT AND JOHN LLOYD

POST OFFICE workers delivered a second body blow yesterday to the plans of Sir William Barlow, the Post Office chairman, to improve the corporation's public image. The Union of Post Office Workers at its annual conference in Blackpool, decisively opposed plans by the Post Office Board for a limited 5p concessionary rate for Christmas card deliveries this year.

The Christmas rate does not depend on extra working arrangements or voluntary overtime and could be pushed through by the Board. Mr. Tom Jackson, general secretary of the 200,000-strong union, argued persuasively against rejection of the plan. He said that the union wanted discussions with the Post Office on the whole question.

Christmas concessionary rate would be third-class mail. The public would want to know why, if it could be done at Christmas, it could not be done all the year round. Delegates emphasised that their opposition was not to hurt the public but to protect their own jobs and save money.

EEC Commission seeks right to search for oil
BY RAY DAFTER, ENERGY CORRESPONDENT

THE European Commission will make a move next week to explore offshore oil and gas exploration. Common Market Energy Ministers, meeting in Brussels on Tuesday, will be asked to approve a scheme which would enable the Commission to join with private oil groups in seeking hydrocarbons in some of the less explored areas of the EEC.

The Commission wants old plants to be shut and throughput in each refinery restricted to a level only shade above last year's output. It also wants to put a brake on refinery expansion and curb imports from Eastern Europe and the Organisation of Petroleum Exporting Countries.

Mr. Benn believes that individual member countries—particularly the UK with its growing North Sea production—should be left to run their own refinery industries in conjunction with the oil companies. He has been supported in this by UK refinery trade unions and by U.S. oil groups, concerned about possible contraventions of anti-trust laws.

Gilts fall as markets stay quiet
By Michael Blanden

PRICES of gilt-edged stocks slipped in very quiet trading yesterday ahead of the long weekend holiday. The markets remained uncertain after Thursday's news of the end of the Liberal Party pact with the Government and the introduction of the 15% letter of intent to the International Monetary Fund.

Pertamina prepares to borrow abroad
BY DAVID HOUSEGO

PERTAMINA, Indonesia's State oil company, is planning a major restructuring to enable it to return to the international financial markets as a borrower in its own right. This sharp reversal in policy was disclosed here today by General Piet Harjono, the company's president. His comments raise the prospect of the Indonesian Government and related State organisations borrowing beyond the cautious levels that have prevailed since Pertamina came close to financial collapse three years ago.

The Government is looking for 15-20-year credits to avoid serious strains on the balance of payments. It is also faced with a cost increase of about 10% on the giant Ashahan hydropower and aluminium smelting project, but hopes that Japan will pay for this.

Tories face row on union document
By Richard Evans, Lobby Editor

A CONTROVERSIAL policy document being studied within the Conservative Party proposes that a future Tory Government, if faced with a major challenge from the nationalised industries over pay and conditions, should pick a confrontation with the unions it knows it could win.

The report states baldly that where industries have the country "by the jugular vein," the only feasible option would be to pay up, so that tactics should be to ensure that the Tories fight on ground of their own choosing. Premature publication of the report, drafted by a Tory study group on the nationalised industries, threw members of the Shadow Cabinet into confusion.

Vulnerability

The study group report, leaked in today's issue of the Economist, classified nationalised industries into three categories of vulnerability, with electricity, gas, water, and the Health Service in the top group. Railways, docks, coal and steel come in the intermediate group, and other public transport, education, ports, telephones, air transport and steel in the least vulnerable group.

Stalemate in the market
THE LEX COLUMN

This should have been the week when the authorities finally unveiled their major initiative to get their funding programme under way. Mr. Healey duly signed up with the IMF for another six months, minimum lending rate was effectively frozen at 9 per cent and the authorities even sold a few gilts.

Index fell 1.4 to 476.1

tion were flying about the City this week, and the widespread view is that economic policy will remain in a state of limbo ahead of the poll. In this situation there is little temptation to buy and there is much debate about whether the key economic variables like inflation and the trade figures can be kept in a reasonably healthy state till October.

Insider dealing

The Takeover Panel's statement about suspicious dealings in Dunford and Elliott's shares just before the Loxrho bid demonstrates how difficult it is going to be to ban insider dealing completely. Even when trading on inside information eventually becomes a criminal offence, it will still be impossible to deal with the individual who chooses to handle his affairs through a Swiss bank.

Tax certificates

News that the interest rate on certificates of tax deposits is to go up from 9 1/2 to 10 per cent, the third increase this month—shows how an obscure tax instrument has become an important weapon in the Government's funding arsenal. Companies are not usually heavy buyers of gilts—and they tend to sell them pretty quickly if their liquidity starts to fall. Tax certificates are another way of sucking com-

panies' surplus funds out of the banking system—and keeping them too, since there is a penalty to pay if they are surrendered for cash rather than used to pay off the taxman. Rates used to change infrequently. Between October 1976 and September 1977, they stuck at 9 per cent, when other interest rates were falling rapidly—and alert company treasurers made a killing. Some large companies found it worth their while to borrow in the money market to invest in certificates, and the corporate sector's holdings rose from £6m in the first quarter of last year to £482m in the fourth.

Capital and Counties

Capital and Counties Property yesterday celebrated its return to health with full-year profits for 1977-78 well ahead of market expectations. Pre-tax profit emerges at £3m, against a £4.2m loss last time. In addition, an internal property revaluation produced a surplus of £10.4m—an increase of 18 per cent on last year—to give net assets per share of 79p. The discount is 33 per cent at yesterday's closing price of 53p, and the yield is an above average 4.7 per cent.

As of March 31, Capital and Counties had £14.2m in the bank. Completion of a Hamburg sale next week will reduce short-term loans to £0.7m, while longer-term borrowings stood at £35.1m, at the year-end against shareholders' funds of £59.7m. With this strength, the group must cautiously admit that it is seeking out new business, including possibly more property development.

Buy America with Schlesingers
A 'Blue Chip' portfolio

The recent rise in the U.S. stock market, accompanied by record volume, suggests the sort of buying opportunity seen in the U.K. early in 1975. This rise has featured dramatic increases in the share prices of "Blue Chips".

Schlesingers' recommendation For several months Schlesingers have been strongly recommending that every private portfolio should include 15-25% in American securities, concentrating on the major "blue chip" companies.

1. Note the fundamental values

	Standard & Poor's 500 Index	1977	1978
Estimated earnings		\$10.95	\$11.95
Prospective P/E Ratio	15.5x	8.9x	8.1x
Estimated Dividend		\$4.60	\$5.25
Prospective Yield	3.5%	4.7%	5.4%

2. Geographical diversification

This chart shows the size of the five largest stock markets as a percentage of the total free world's stock markets. Note the U.S. domination.

PIMS—A unique Service Minimum investment in the fund is £500. Investors of £5,500 or more will receive Schlesingers' Personal Investment Management Service (PIMS), including portfolio reports and valuations, invitations to meetings and advice on personal financial planning if required. You should regard your investment as long-term. Remember that the price of units, and the income from them, may go down as well as up.

Avoiding the dollar premium Recent press comments have drawn attention to the problems of the dollar premium. The Trident American Growth Fund makes heavy use

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Address

Date

FT27/S

Schlesingers American Growth Fund

American trade deficit rises again

The first three months steel imports hit new high levels, as foreign suppliers sought to beat the imposition of the reference price system covering foreign steel which took effect in February.

British Steel has recently complained that its steel sales to the U.S. are being curtailed severely by U.S. restrictive action, but the trade figures at least do not seem to reflect this.

This may be partly because of lags in collecting customs data and partly because sales of steel products not covered by the reference price system have increased. Overall in April, imports rose by 5.8 per cent, compared with March to about \$14.5bn. Over the first four months, imports have been running at an annual rate 12 per cent up on the same 1977 period.

Nonetheless, the 5 per cent gain in exports against 1977 achieved so far this year compares unfavourably with a 12 per cent advance in imports.